

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO: U-16575	6. SURFACE: Federal
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>				8. UNIT or CA AGREEMENT NAME: Middle Mesa Unit	
2. NAME OF OPERATOR: EnCana Oil & Gas (USA) Inc.				9. WELL NAME and NUMBER: Middle Mesa Fed 31-31-29-25	
3. ADDRESS OF OPERATOR: 370 17th Street CITY Denver STATE CO ZIP 80202			PHONE NUMBER: (720) 876-5339	10. FIELD AND POOL, OR WILDCAT: Wildcat	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2126' FSL & 810' FWL AT PROPOSED PRODUCING ZONE: _____				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Lot3 31 29S 25E S NW SW	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approx. 8 Miles SE of La Sal, Utah				12. COUNTY: San Juan	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 810'		16. NUMBER OF ACRES IN LEASE: 320.43		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 4690'		19. PROPOSED DEPTH: 5,978		20. BOND DESCRIPTION: RLB0004733	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6772.2' GR		22. APPROXIMATE DATE WORK WILL START: 9/1/2006		23. ESTIMATED DURATION: 30 Days	

24. PROPOSED CASING AND CEMENTING PROGRAM					
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
11"	8-5/8"	32#	J-55	120	Redimix to Surface
11"	8-5/8"	24#	J-55	2,300	Class G + 2% gel 660sx 2.09 cuft/sx 12.5#
7-7/8"	4-1/2"	11.6#	I-80	5,978	50/50 poz: Class G 900sx 1.43 cuft/sx 13#

25. ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Jevin Croteau TITLE Regulatory Analyst

SIGNATURE [Signature] DATE 8/9/06

(This space for State use only)

API NUMBER ASSIGNED: 43-037-31854

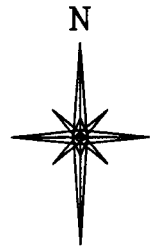
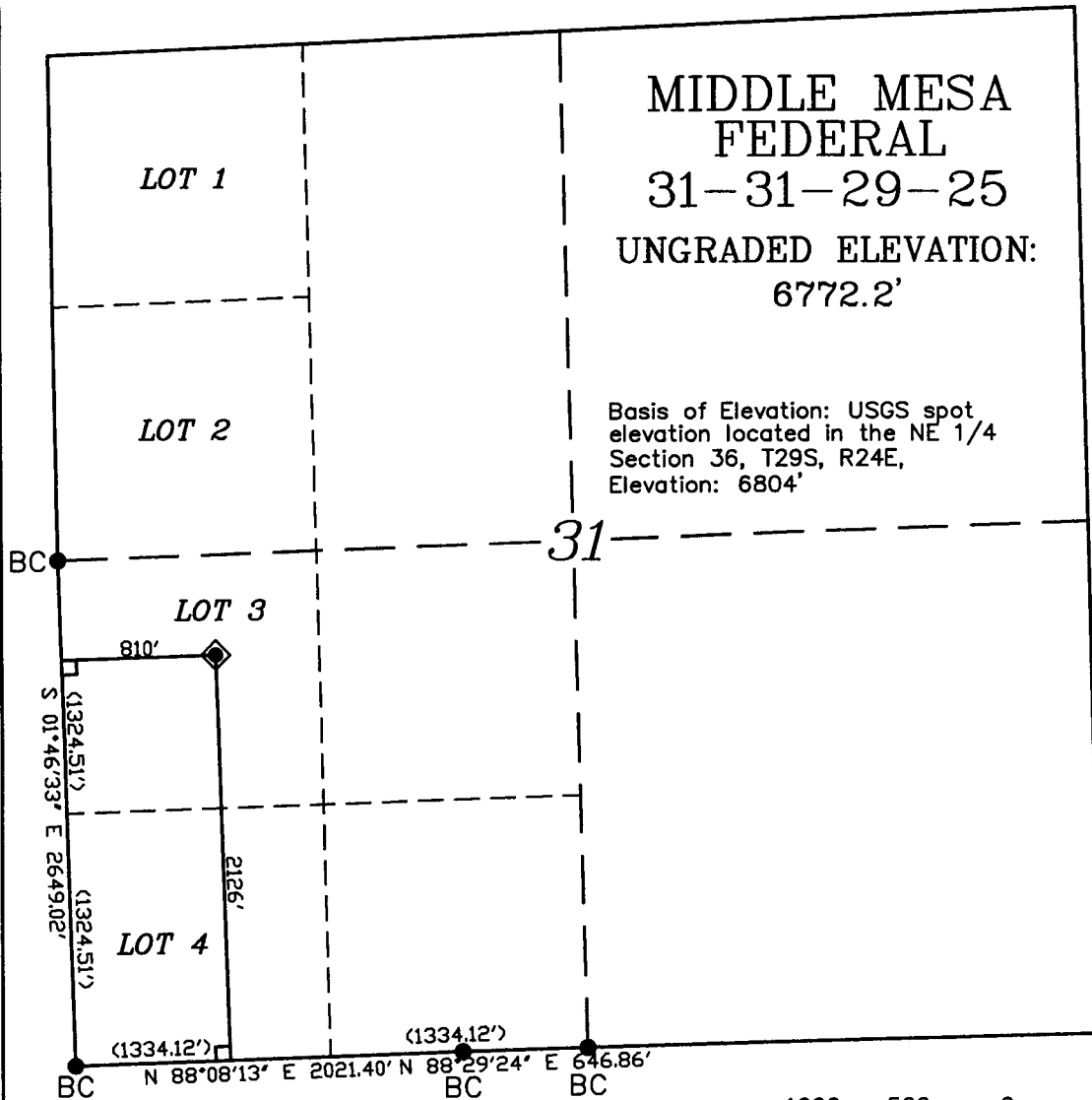
Approved by the
Utah Division of
Oil, Gas and Mining

Date: 08-31-2006
By: [Signature]

RECEIVED
AUG 10 2006
DIV. OF OIL, GAS & MINING

(11/2001) **Federal Approval of this Action is Necessary**

R. 25 E.



SCALE: 1" = 1000'

T. 29 S.

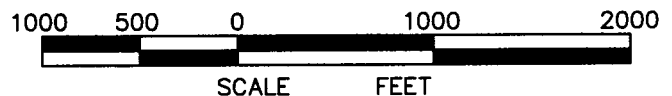
LATITUDE
NORTH 38.236189 DEG.

LONGITUDE
WEST 109.214610 DEG.

NORTHING
579513.15

EASTING
2656388.21

DATUM
SPCS UT SOUTH (NAD 27)



SURVEYOR'S STATEMENT

I, Louis A. Pence, of Rock Springs, Wyoming, hereby state: This map was made from notes taken during an actual survey under my direct supervision on JULY 5, 2006, and it correctly shows the location of MIDDLE MESA FEDERAL 31-31-29-25.

NOTES

- ◆ WELL LOCATION
- FOUND MONUMENT

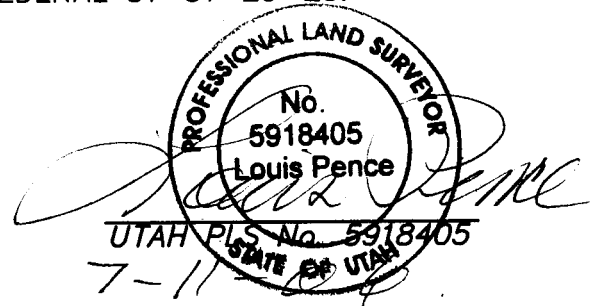


EXHIBIT 1



RIFFIN & ASSOCIATES, INC.

1414 ELK ST., SUITE 202
ROCK SPRINGS, WY 82901
(307) 362-5028

SCALE: 1" = 1000'

JOB No. 14168

REVISED: 7/11/06

**PLAT OF DRILLING LOCATION
FOR
ENCANA OIL & GAS (USA) INC.**

**2126' F/SL & 810' F/WL, SECTION 31,
T. 29 S., R. 25 E., SALT LAKE P.M.
SAN JUAN COUNTY, UTAH**

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

August 17, 2006

Memorandum

To: Assistant Field Office Manager Resources,
Moab Field Office

From: Michael Coulthard, Petroleum Engineer

Subject: 2006 Plan of Development Middle Mesa Unit, San Juan
County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2006 within the Middle Mesa Unit, San Juan County, Utah.

API #	WELL NAME	LOCATION
(Proposed PZ Honaker Trail)		
43-037-31854	Middle Mesa Fed 31-31-29-25 Sec 31 T29S R25E 2126 FSL 0810 FWL	
43-037-31853	Middle Mesa Fed 5-6-30-25 Sec 05 T30S R25E 1002 FNL 2284 FWL	

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File -- Middle Mesa Unit
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron

ONSHORE ORDER No. 1
EnCana Oil & Gas (USA), Inc.
Middle Mesa Fed 31-31-29-25
2126' FSL & 810' FWL (surface)
Section 31-T29S-R25E
2126' FSL & 810' FWL (bottom hole)
Section 31-T29S-R25E
San Juan County, Utah

Lease No. U-16575

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ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal and Indian Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. FORMATION TOPS

The estimated tops of important geologic markers are as follows:

Formation	Depth (TVD)	Subsea
Burro Canyon	Surface	+6792'
Entrada	784'	+6008'
Navajo	1047'	+5745'
Kayenta	1584'	+5208'
Wingate	1800'	+4992'
Chinle	2107'	+4685'
Cutler	2415'	+4377'
Honaker Trail	4096'	+2696'
La Sal	5492'	+1300'
La Sal Shale	5833'	+959'
Hatch	5918'	+874'
TD	5978'	+814'

2. ANTICIPATED DEPTH OF WATER, OIL & GAS

The estimated depths at which the top and bottom of the anticipated water, oil, gas or other mineral bearing formations as expected to be encountered are as follows:

Substance	Formation	Depth (TVD)
Gas	La Sal	5492'

All fresh water and prospectively valuable minerals encountered during drilling, will be

Drilling Program

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recorded by depth and adequately protected. All indications of usable water (10,000 ppm or less TDS) shall be reported to the Durango Field Office prior to running the next string of casing or before plugging orders are requested, whichever occurs first.

If noticeable water flows are detected, samples will be submitted to the BLM along with any water analyses conducted.

3. BOP EQUIPMENT/REQUIREMENTS

EnCana Oil & Gas (USA), Inc.'s minimum specification for pressure control equipment are as follows:

Ram Type: 11" Hydraulic double ram with annular, 3000 psi w.p.

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70% of internal yield pressure of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10% in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.

Annular type preventers (if used) shall be tested to 50% of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

As a minimum, the above test shall be performed:

- a. when initially installed:
- b. whenever any seal subject to test pressure is broken
- c. following related repairs: and
- d. at 30 day intervals

Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.

When testing the kill line valve(s) shall be held open or the ball removed.

Annular preventers (if used) shall be functionally operated at least weekly.

Pipe and blind rams shall be activated each trip, however, this function need not be performed more than once a day.

A BOPE pit level drill shall be conducted weekly for each drilling crew.

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests. Pressure tests shall apply to all related well control equipment.

BOP systems shall be consistent with API RP53. Pressure tests will be conducted before drilling out from under casing strings which have been set and cemented in place. Blowout

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preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection will be recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

The BLM in Moab, Utah shall be notified, at least 24 hours prior to initiating the pressure test, in order to have a BLM representative on location during pressure testing.

- a. The size and rating of the BOP stack is shown on the attached diagram.
- b. A choke line and a kill line are to be properly installed. The kill line is not to be used as a fill-up line.
- c. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.
- d. Drill string safety valve(s), to fit all tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.

4. CASING AND CEMENTING PROGRAMS

- a. The BLM in Moab, Utah shall be notified at least 24 hours prior to the running and cementing of all casing strings, in order to have a BLM representative on location while running and cementing all casing strings.
- b. The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation which will contain the maximum pressure to which it will be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including; presence/absence of hydrocarbons; fracture gradients; usable water zones; formation pressures; lost circulation zones; other minerals; or other unusual characteristics. All indications of usable water shall be reported.
- c. Casing design shall assume formation pressure gradients of 0.44 to 0.50 psi per foot for exploratory wells (lacking better data).
- d. Casing design shall assume fracture gradients from 0.70 to 1.00 psi per foot for exploratory wells (lacking better data).
- e. Casing collars shall have a minimum clearance of 0.422 inches of all sides in the hole/casing annulus, with recognition that variances can be granted for justified exceptions.
- f. All waiting on cement times shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.
- g. All casing except the conductor casing, shall be new or reconditioned and tested used casing that meets or exceeds API standards for new casing.
- h. The surface casing shall be cemented back to surface either during the primary cement job

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or by remedial cementing.

- i. All indication of usable water shall be reported to the authorized officer prior to running the next string of casing or before plugging orders are requested, whichever occurs first.
- j. Surface casing shall have centralizers on the bottom 3 joints of casing (a minimum of one centralizer per joint starting with the shoe joint).
- k. Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc. shall be utilized to help isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.
- l. All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or 1500 psi, whichever is greater, but not to exceed 70% of the minimum internal yield. If pressure declines more than 10% in 30 minutes, corrective actions shall be taken.
- m. On all exploratory wells, and on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
- n. The proposed casing program will be as follows:

Purpose	Depth (MD)	Hole Size	O.D.	Weight	Grade	Type	New/Used
Surface	0-120'	11"	8-5/8"	32#	J-55	ST&C	New
Surface	120'-2300'	11"	8-5/8"	24#	J-55	ST&C	New
Production	0'-5978'	7-7/8"	4-1/2"	11.6#	I-80	LT&C	New

- o. Casing design subject to revision based on geologic conditions encountered.
- p. The cement program will be as follows:

Surface	Type and Amount
0-2300'	Lead: 460 sx Class G 50/50 Poz + 2% gel, 2.09 cuft/sx yield, 12.5 ppg Tail: 200 sx Class G, 1.15 cuft/sx yield, 15.8 ppg
Production	Type and Amount
2300'-5978'	900 sx Class G 50/50 Poz, 1.43 cuft/sx yield, 13 ppg

- q. The BLM in Moab, Utah should be notified, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.

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- r. After cementing but before commencing any test, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the driller's log.
- s. The following reports shall be filed with the District Manager within 30 days after the work is completed.
 1. Progress reports, Form 3160-5, "Sundry Notices and Reports on Wells", must include complete information concerning:
 - i. Setting of each string of casing, showing the size, grade, weight of casing set, hole size, setting depth, amounts and type of cement used, whether cement circulated or the top of the cement behind the casing, depth of cementing tools used, casing test method and results, and the date work was done. Show the spud date on the first reports submitted.
 - ii. Temperature or bond logs must be submitted for each well where the casing cement was not circulated to the surface.
- t. Auxiliary equipment to be used is as follows:
 1. Kelly cock
 2. No bit float is deemed necessary.
 3. A sub with a full opening valve.

5. MUD PROGRAM

- a. The proposed circulating mediums to be employed in drilling are as follows:

Interval (MD)	Mud Type	Mud Wt.	Visc.	F/L
0-4000'	Water	+/- 8.5	+/- 27	N.C.
4000'-TD	LSND	+/- 8.8-9.1	+/- 50	+/- 8

- b. Mud monitoring equipment to be used is as follows: Periodic checks of the mud system will be made each tour. The mud level will be checked visually.
 1. There will be sufficient mud on location to ensure well control.
 2. A mud test shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, static filtration loss and Ph.
- c. Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing or completion operations.

6. EVALUATION PROGRAM – TESTING, LOGGING AND CORING

The anticipated type and amount of testing, logging and coring are as follows:

- a. No drill stem tests are anticipated, however, if DST's are run, the following requirements will be adhered to:

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Initial opening of drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the authorized officer. However, DST's may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e. lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the authorized officer. Closed chamber DST's may be accomplished day or night.

A DST that flows to the surface with evidence of hydrocarbons shall be reversed out of the testing string under controlled surface conditions. This would involve providing some means for reverse circulation.

Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

All engines within 100 feet of the wellbore that are required to "run" during the test shall have spark arresters or water cooled exhausts.

- b. The logging program will be made up of two runs. The first will consist of a GR/AIT/NEUT-DEN w/ PE from TD to base of the surface casing. The second will consist of a Dipole Sonic from TD to base of the surface casing.
- c. No whole cores are anticipated. Depending upon evaluation of the open hole logs, several sidewall cores may be obtained in formations of interest.
- d. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, work over, and/or completions, will be filed with form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the authorized officer (AO).
- e. The anticipated completion program is as follows:
Perforate zones of interest, fracture stimulate as necessary and place on production.

7. ABNORMAL PRESSURES AND H₂S GAS

- a. The maximum expected bottom hole pressure is 2400 psi (pressure gradient of 0.396 psi/ft). Source of pressure estimate was from data obtained for the La Sal geological formation in the Middle Mesa State 36-14-29-24 (well is located less than 1 mile northwest of the proposed location).
- b. No hydrogen sulfide gas is anticipated; no abnormal pressures or temperatures are anticipated.
- c. As per Onshore Order No. 6, III.A.2.b., if hydrogen sulfide is present the "operator shall initially test the H₂S concentration of the gas stream for each well or production facility ..." Submit the results of this test within 30 days of filing Form 3160-4, "Well Completion or Recompletion Report and Log".

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8. OTHER INFORMATION AND NOTIFICATION REQUIREMENTS

- a. The BLM in Moab (435-259-2100) shall be notified at least 24 hours prior to:
 1. Spudding the well
 2. Running the casing strings and cementing
 3. BOP tests/casing pressured tests.
- b. Within 30 days of completion of the well as a dry hole or producer, a copy of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, work over, and/or completions operations will be filed with a Completion Report (Form 3160-4), in triplicate. Submit casing/cementing reports and other subsequent reports via Sundry Notice Form 3160-5.
- c. In accordance with 43 CFR 3162.4-3, this well shall be reported on MMS Form 3160, "Monthly Report of Operations", starting with the month in which drilling operations commence, and continuing each month until the well is physically plugged and abandoned.
- d. The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or the date on which gas is first measured through permanent metering facilities, whichever first occurs.
- e. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during the initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day authorized period.
- f. A schematic facilities diagram as required by 43 CFR 3162.7-5 (b.9.d), shall be submitted to the appropriate District Office within 60 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b.4).
- g. Off-lease measurement and commingling of production must be approved by the authorized officer.
- h. Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such

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production has begun or resumed.”

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

- i. The BLM in Moab (435-259-2100) shall be notified within 5 business days of production start-up if either of the following two conditions occur:
 1. The well is placed on production, or
 2. The well resumes production after being off of production for more than 90 days.

“Placed on production” means shipment or sales of hydrocarbons from temporary tanks, production into permanent facilities or measurement through permanent facilities. Notification may be written or verbal with written follow-up within 15 days.
- j. Drilling is planned to commence upon approval. Completion will begin approximately 30 days after drilling is completed.
- k. It is anticipated that the drilling of this well will take approximately 10-15 days.
- l. No location will be constructed or moved, no well will be plugged, and no drilling or work over equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.
- m. Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.
- n. If a replacement rig is contemplated for completion operations, a “Sundry Notice” Form 3160-5 to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.
- o. Pursuant to Onshore Order No. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.

If underground injection is proposed, an EPA or State UIC permit shall also be required and submitted to this office.

- p. No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A “Subsequent Report of Abandonment” Form 3160-5 will be filed with the AO within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface

ONSHORE ORDER No. 1
EnCana Oil & Gas (USA), Inc.
Middle Mesa Fed 31-31-29-25
2126' FSL & 810' FWL (surface)

Lease No. U-16575

Section 31-T29S-R25E
2126' FSL & 810' FWL (bottom hole)
Section 31-T29S-R25E
San Juan County, Utah

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Managing Agency.

- q. As per 43 CFR 3162.6, each drilling producing or abandoned well shall be identified with the operator's name, the lease serial number, the well number, and the surveyed description of the well (either footages or the quarter-quarter section, the section, township and range). The Indian lessor's name may also be required. All markings shall be legible and in a conspicuous place.

- r. Bureau of Land Management, Moab Field Office Address and Contacts:

Address: 82 East Dogwood Ave. Phone: 435-259-2100
Moab, Utah 84532

Business Hours: 7:45 a.m. to 4:30 p.m. (Mountain Time), Mon-Fri.

After Hours:

Eric Jones	Petroleum Engineer	435-259-2117



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Water Rights

MICHAEL R. STYLER
Executive Director

JERRY D. OLDS
State Engineer/Division Director

ORDER OF THE STATE ENGINEER

For Temporary Change Application Number 05-6 (t31522)

Temporary Change Application Number 05-6 (t31522) in the name of Charles Hardison Redd was filed on May 1, 2006, to change the point of diversion, place of use, and nature of use of 20.00 acre-feet of water as evidenced by Water Right Number 05-6. Heretofore, the water has been diverted from a surface source located North 3420 feet and West 2851 feet from the SE Corner of Section 7, T28S, R25E, SLB&M. The water has been used for the irrigation of 5.00 acres from April 1 to October 31. The water was used in all or portion(s) of Section 35, T28S, R25E, SLB&M; Section 2, T29S, R24E, SLB&M; and Section 11, T29S, R24E, SLB&M.

Hereafter, it is proposed to divert 20.00 acre-feet of water from a surface source located North 712 feet and East 627 feet from the SW Corner of Section 8, T28S, R25E, SLB&M. The nature of use of the water is being changed. The water will now be used for drilling work for oil and gas wells, road construction, and maintenance. The place of use of the water is being changed to all or parts of Section 02, 08, 11, 14, 27, T29S, R24E, SLB&M; Section 08, T29S, R26E, SLB&M; Section 04, 09, 10, 14, 15, T30S, 25E, SLB&M.

Notice of this temporary change application was not published in a newspaper. It is the opinion of the State Engineer that it meets the criteria of Section 73-3-3 of the Utah Code for the approval of temporary change applications.

It is the opinion of the State Engineer that this change application can be approved without adversely affecting existing rights. The applicant is put on notice that diligence must be shown in pursuing the development of this application which can be demonstrated by the completion of the project as proposed in the change application.

It is, therefore, **ORDERED** and Temporary Change Application Number 05-6 (t31522) is hereby **APPROVED** subject to prior rights.

This temporary change application shall expire one year from the date hereof.

It is the applicant's responsibility to maintain a current address with this office and to update ownership of their water right. Please notify this office immediately of any change of address or for assistance in updating ownership.

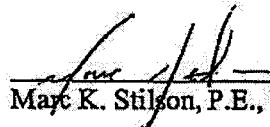
The applicant is advised to contact the Stream Alteration Section of the Division of Water Rights to ascertain if a Stream Alteration permit is required for this Temporary Change Application.

Your contact with this office, should you need it, is with the Southeastern Regional Office. The telephone number is 435-637-1303.

ORDER OF THE STATE ENGINEER
Temporary Change Application Number
05-6 (131522)
Page 2

This Order is subject to the provisions of Administrative Rule R655-6-17 of the Division of Water Rights and to Sections 63-46b-13 and 73-3-14 of the Utah Code which provide for filing either a Request for Reconsideration with the State Engineer or an appeal with the appropriate District Court. A Request for Reconsideration must be filed with the State Engineer within 20 days of the date of this Order. However, a Request for Reconsideration is not a prerequisite to filing a court appeal. A court appeal must be filed within 30 days after the date of this Order, or if a Request for Reconsideration has been filed, within 30 days after the date the Request for Reconsideration is denied. A Request for Reconsideration is considered denied when no action is taken 20 days after the Request is filed.

Dated this 31 day of May, 2006.

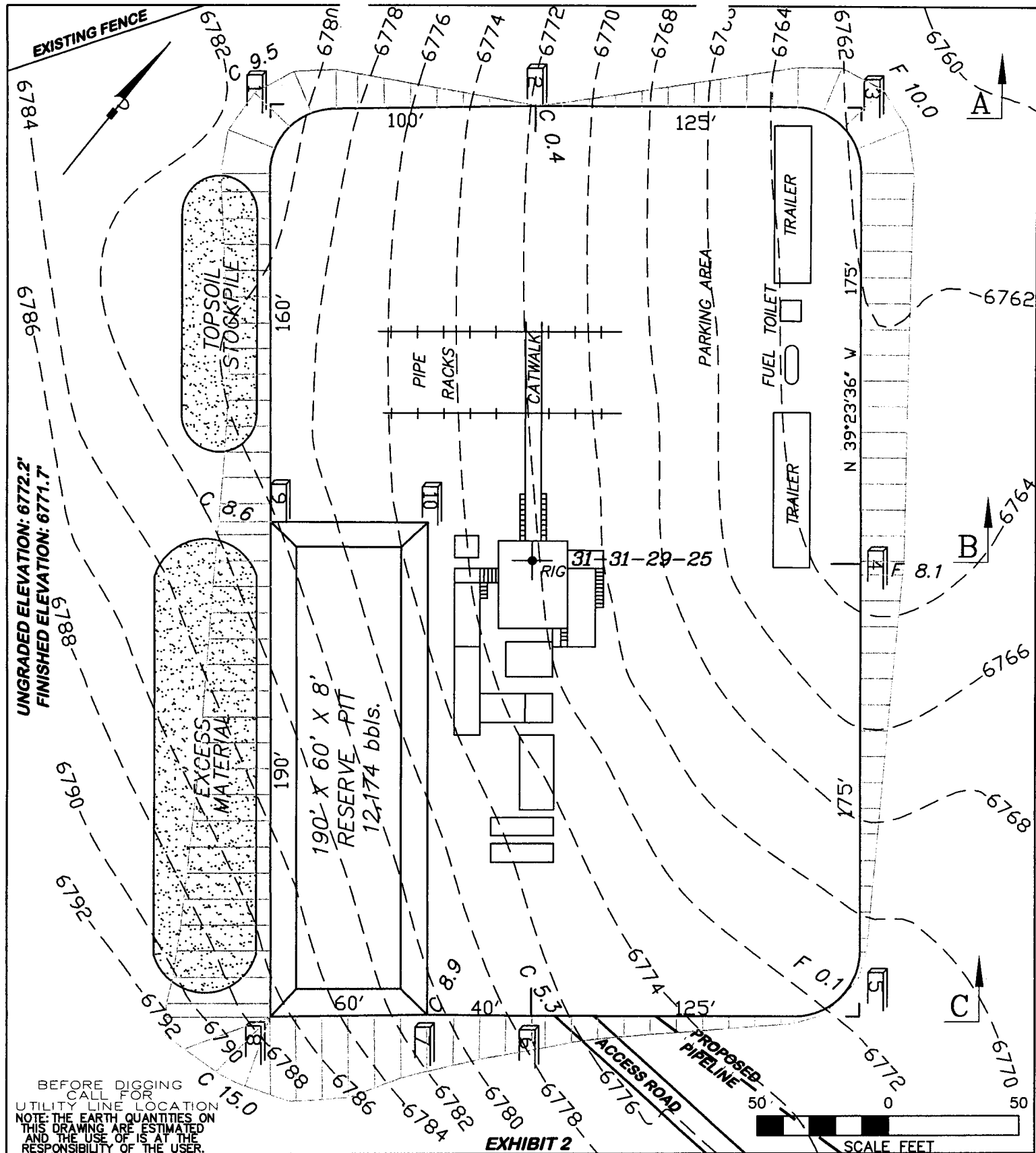


Marc K. Stilson, P.E., Regional Engineer

Mailed a copy of the foregoing Order this 31 day of May, 2006 to:

Charles Hardison Redd
P.O.Box 247
La Sal UT 84530

Stream Alteration Section
Division of Water Rights



RIFFIN & ASSOCIATES, INC.

1414 ELK ST., SUITE 202
ROCK SPRINGS, WY 82901
(307) 362-5028

SCALE: 1" = 50'

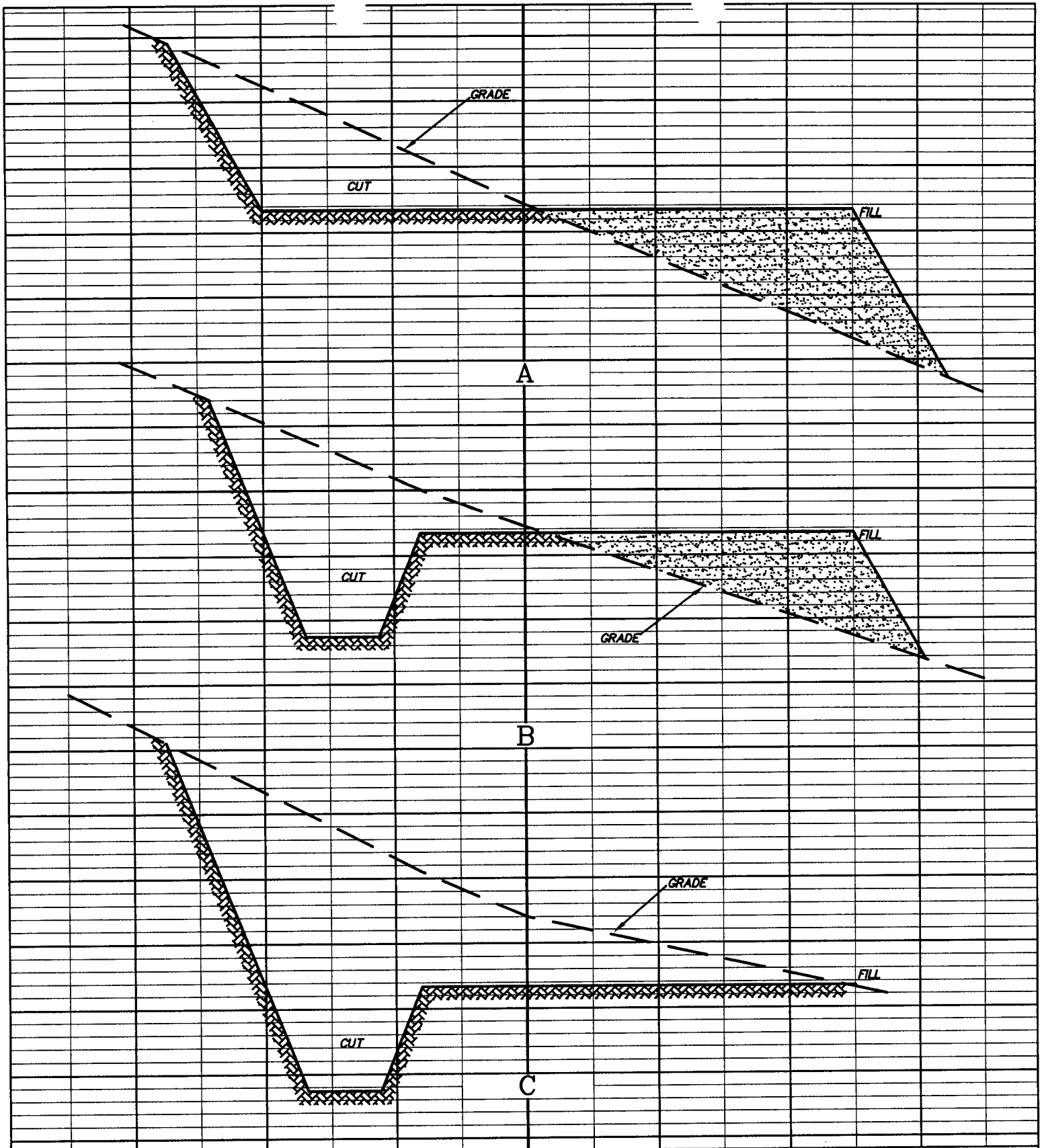
JOB No. 14168

REVISED: 7/11/06

ENCANA OIL & GAS (USA) INC.
MIDDLE MESA FEDERAL 31-31-29-25

ESTIMATED EARTHWORK

ITEM	CUT	FILL	TOPSOIL	EXCESS
PAD	7902 CY	5106 CY	1450 CY	1346 CY
PIT	2532 CY			2532 CY
TOTALS	10434 CY	5106 CY	1450 CY	3878 CY



RIFFIN & ASSOCIATES, INC.

**ENCANA OIL & GAS (USA) INC.
MIDDLE MESA FEDERAL 31-31-29-25**

1414 ELK ST., SUITE 202
ROCK SPRINGS, WY 82901
(307) 362-5028

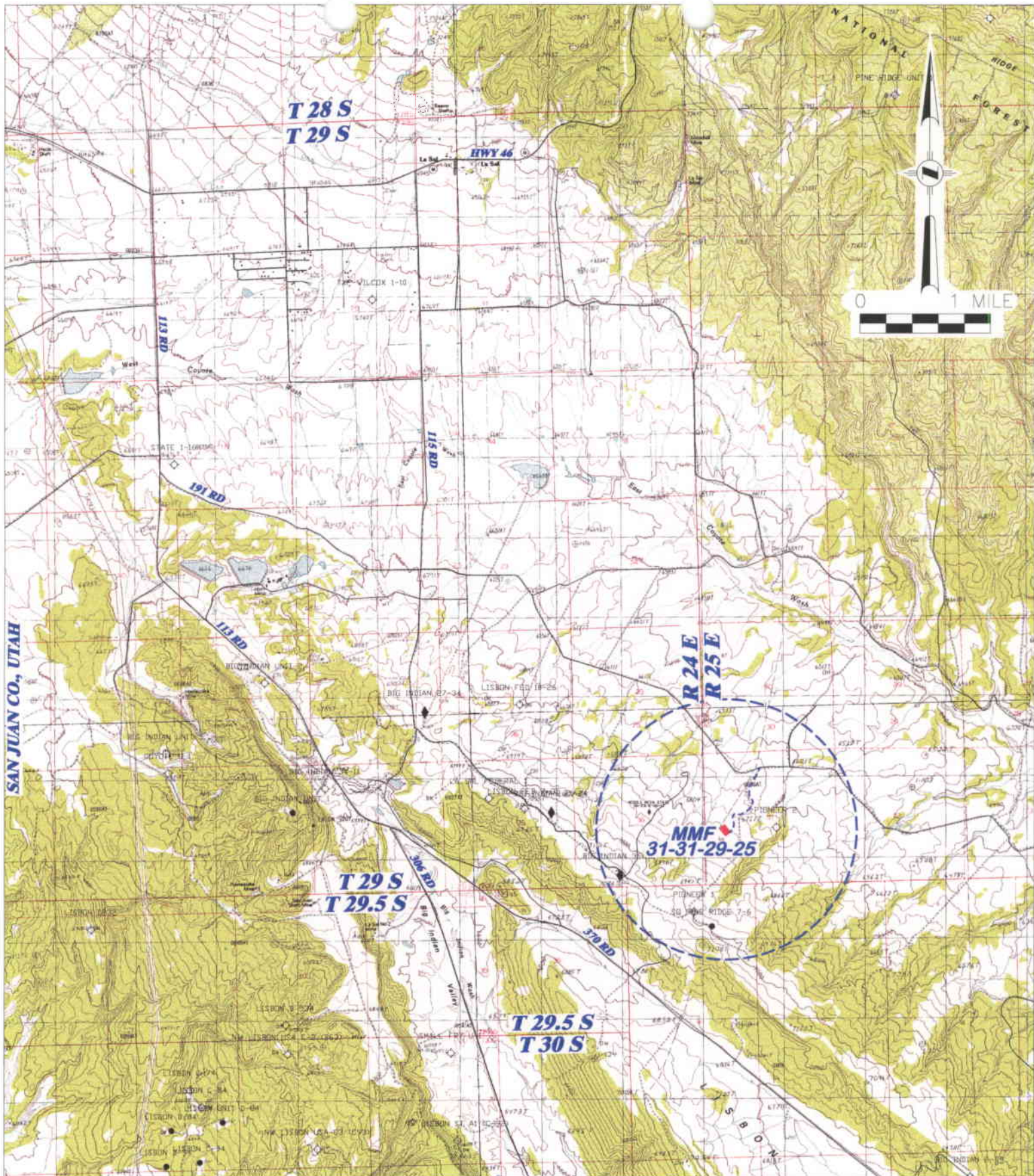
JOB No. 14168

REVISED: 7/11/06

HORZ. 1" = 50' VERT. 1" = 10'

UNGRADED ELEVATION: 6772.2'
FINISHED ELEVATION: 6771.7'

EXHIBIT 3



RIFFIN & ASSOCIATES, INC.

1414 ELK ST., SUITE 202
ROCK SPRINGS, WY 82901
(307) 362-5028

SCALE: 1" = 1 MILE

JOB No. 14168

REVISED: 7/17/06

**PROPOSED ACCESS FOR
ENCANA OIL & GAS (USA) INC.
MIDDLE MESA FEDERAL 31-31-29-25**

EXISTING ROAD —————
PROPOSED ACCESS - - - - -

**TOPO
A**



RIFFIN & ASSOCIATES, INC.

**PROPOSED ACCESS ROAD FOR
 ENCANA OIL & GAS (USA) INC.
 MIDDLE MESA FEDERAL 31-31-29-25**

1414 ELK ST., SUITE 202
 ROCK SPRINGS, WY 82901
 (307) 362-5028

SCALE: 1" = 2000'

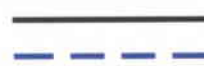
JOB No. 14168

REVISED: 7/17/06

TOTAL PROPOSED LENGTH: 3471'

EXISTING ROAD

PROPOSED ROAD



**TOPO MAP
 B**



RIFFIN & ASSOCIATES, INC.

1414 ELK ST., SUITE 202
 ROCK SPRINGS, WY 82901
 (307) 362-5028

SCALE: 1" = 2000'

JOB No. 14168

REVISED: 7/17/06

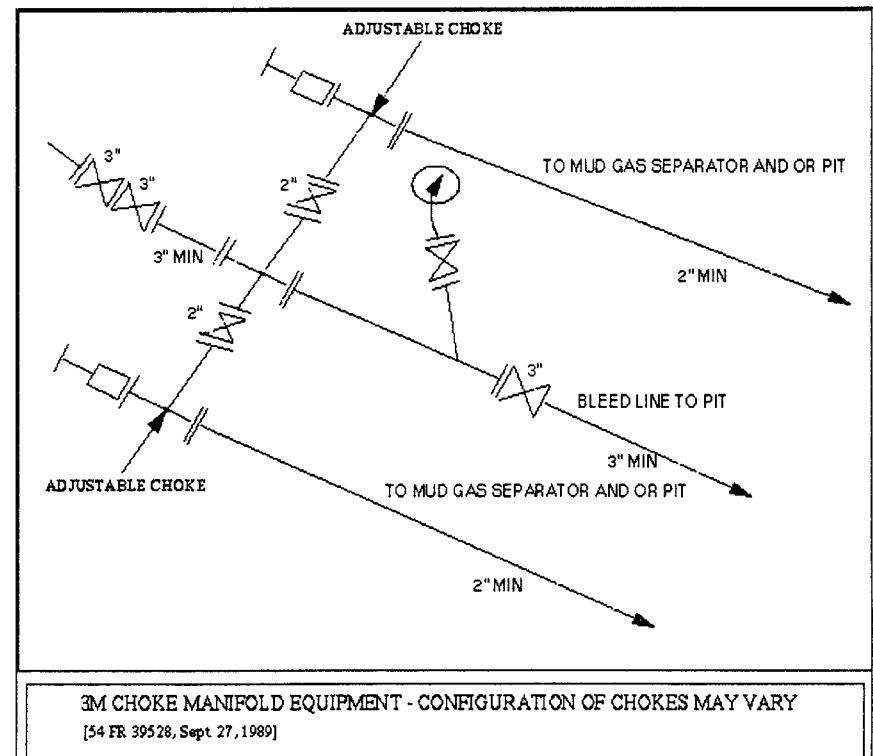
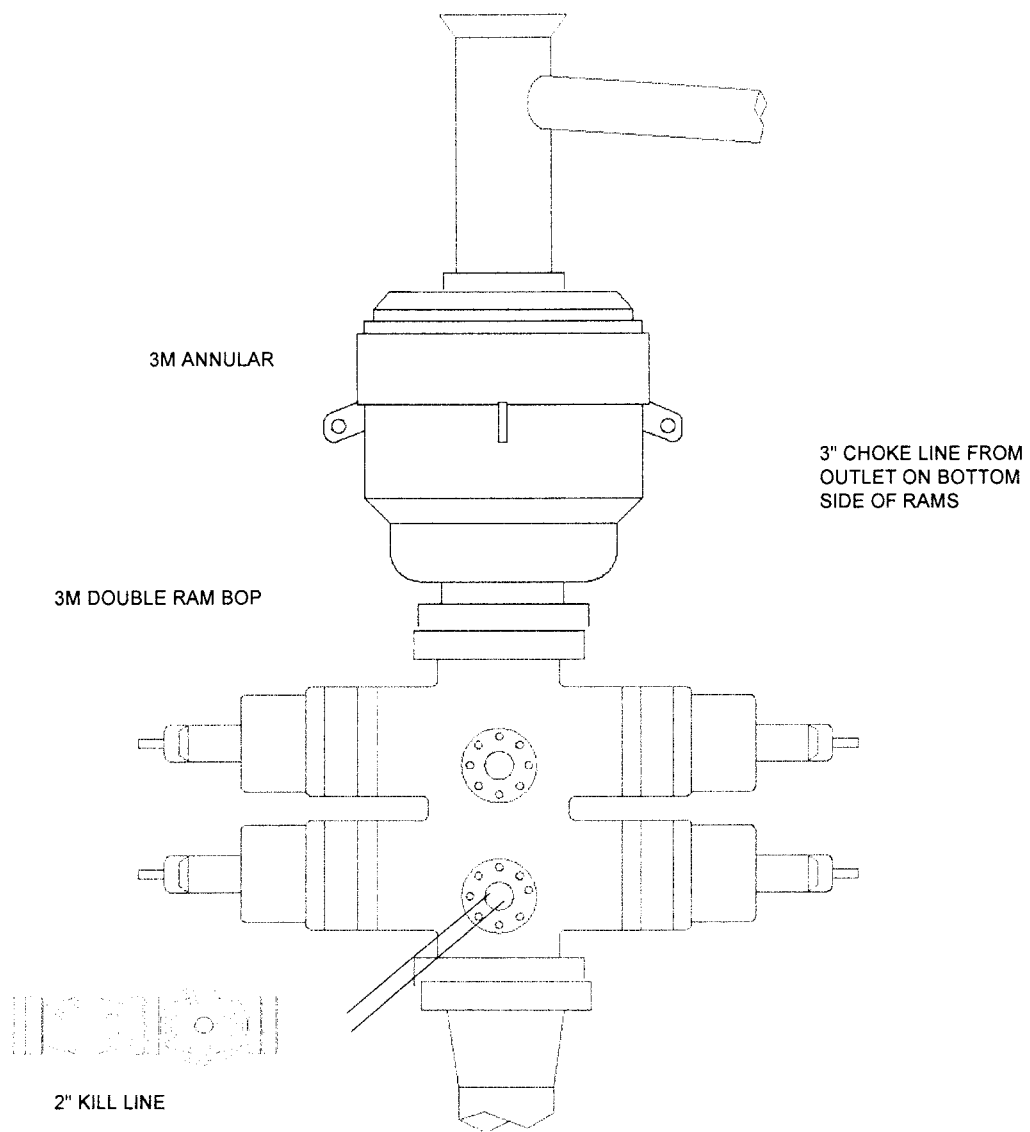
**PROPOSED PIPELINE FOR
 ENCANA OIL & GAS (USA) INC.
 MIDDLE MESA FEDERAL 31-31-29-25**

TOTAL PROPOSED LENGTH: 8107.3'±

EXISTING ROAD

PROPOSED PIPELINE

**TOPO MAP
 C**



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 08/10/2006

API NO. ASSIGNED: 43-037-31854

WELL NAME: MIDDLE MESA FED 31-31-29-25

OPERATOR: ENCANA OIL & GAS (USA) (N2175)

CONTACT: JEVIN CROTEAU

PHONE NUMBER: 720-876-5339

PROPOSED LOCATION:

NWSW 31 290S 250E

SURFACE: 2126 FSL 0810 FWL

BOTTOM: 2126 FSL 0810 FWL

COUNTY: SAN JUAN

LATITUDE: 38.23616 LONGITUDE: -109.2145

UTM SURF EASTINGS: 656267 NORTHINGS: 4233319

FIELD NAME: UNDESIGNATED (2)

INSPECT LOCATN BY: / /

Tech Review

Initials

Date

Engineering

Geology

Surface

LEASE TYPE: 1 - Federal

LEASE NUMBER: U-16575

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: HNKRT

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

☒ Plat

☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. RLB0004733)

☒ Potash (Y/N)

☒ Oil Shale 190-5 (B) or 190-3 or 190-13

☒ Water Permit

(No. 05-6)

☒ RDCC Review (Y/N)

(Date:)

☒ Fee Surf Agreement (Y/N)

☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

___ R649-2-3.

Unit: MIDDLE MESA

☒ R649-3-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells

___ R649-3-3. Exception

___ Drilling Unit

Board Cause No: _____

Eff Date: _____

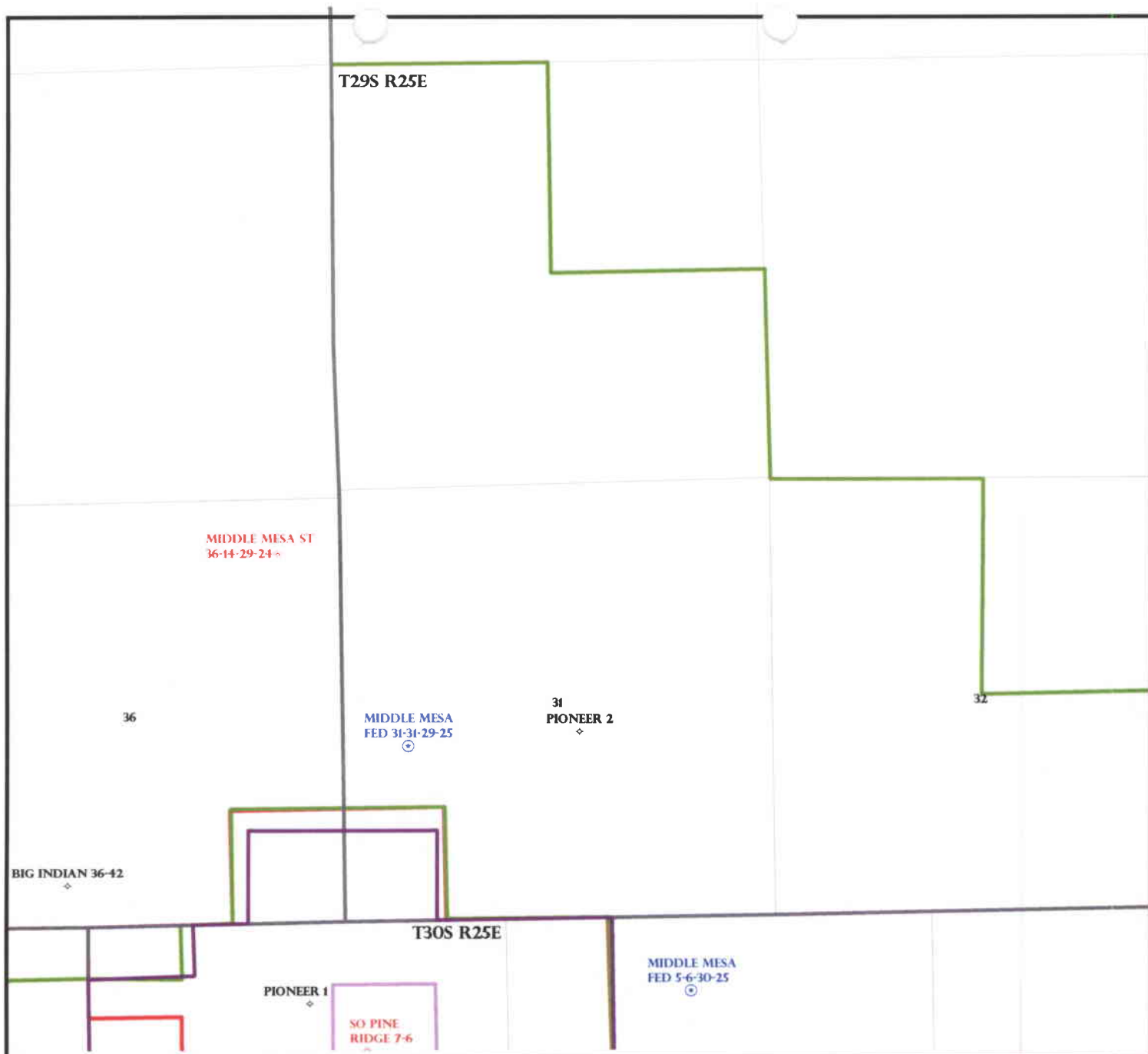
Siting: _____

___ R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: _____

1- Federal Approval
2- Spacing Strip



OPERATOR: ENCANA O&G USA INC (N2175)

SEC: 31 T.29S R. 25E

FIELD: UNDESIGNATED (002)

COUNTY: SAN JUAN

SPACING: R649-3-2 / GENERAL SITING

Field Status

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Unit Status

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Wells Status

- ✱ GAS INJECTION
- ✱ GAS STORAGE
- ✱ LOCATION ABANDONED
- ⊙ NEW LOCATION
- ⊙ PLUGGED & ABANDONED
- ✱ PRODUCING GAS
- PRODUCING OIL
- ✱ SHUT-IN GAS
- SHUT-IN OIL
- ✱ TEMP. ABANDONED
- ⊙ TEST WELL
- ⊙ WATER INJECTION
- ⊙ WATER SUPPLY
- ⊙ WATER DISPOSAL
- ⊙ DRILLING



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY
DATE: 17-AUGUST-2006



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

August 21, 2006

Encana Oil & Gas (USA) Inc.
370 17th Street
Denver, CO 80202

Re: Middle Mesa Federal 31-31-29-25 Well, 2126' FSL, 810' FWL, NW SW,
Sec. 31, T. 29 South, R. 25 East, San Juan County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-037-31854.

Sincerely,

A handwritten signature in black ink, appearing to read "Don Stahler".

A handwritten signature in black ink, appearing to read "Gil Hunt".
Gil Hunt
Associate Director

pab
Enclosures

cc: San Juan County Assessor
Bureau of Land Management, Moab District Office

Operator: Encana Oil & Gas (USA) Inc.
Well Name & Number Middle Mesa Federal 31-31-29-25
API Number: 43-037-31854
Lease: U-16575

Location: NW SW **Sec.** 31 **T.** 29 South **R.** 25 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB NO. 1004-0137
Expires: March 31, 2007

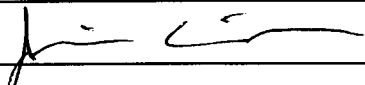

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. U-16575
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator EnCana Oil & Gas (USA) Inc.		7. If Unit or CA Agreement, Name and No. Middle Mesa Unit, UTU82680X
3a. Address 370 17th St., Suite 1700, Denver CO 80202		8. Lease Name and Well No. Middle Mesa Fed 31-31-29-25
3b. Phone No. (include area code) 970-876-5339		9. API Well No. 4303731854
4. Location of well (Report location clearly and in accordance with any State requirements. *) At surface 2126' FSL & 810' FWL At proposed prod. zone		10. Field and Pool, or Exploratory Wildcat
11. Sec., T., R., M., or Blk. And Survey or Area Sec. 31, T29S-R25E		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 8 Miles SE of La Sal, UT		12. County or Parish San Juan
		13. State Utah
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg unit line, if any)	16. No. of Acres in lease 320.43	17. Spacing Unit dedicated to this well 40 acres
810 ' Unit line 792 ' Unit line		
18. Distance from proposed location* to nearest well, drilling completed, applied for, on this lease, ft. Approx. 3228' from nearest Unit well	19. Proposed Depth 5978 ' TVD	20. BLM/ BIA Bond No. on file RLB0004733
21. Elevations (Show whether DF, RT, GR, etc.) 6772.2 ' GR	22. Approximate date work will start* September, 2006	23. Estimated Duration 30 Days
24. Attachments		

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1 shall be attached to this form:

- | | |
|--|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by existing bond on file (see item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/ or plans as may be required by the authorized officer. |

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

I hereby certify that EnCana Oil & Gas (USA) Inc. is responsible under the terms and conditions of the lease to conduct lease operations.
Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by RLB0004733.

25. Signature 	Name (Printed/ Typed) Jevin Crofteau	Date 8/9/06
Title Regulatory Analyst		
Approved By (Signature) 	Name (Printed/ Typed) Assistant Field Manager	Date 9/20/06
Title Assistant Field Manager, Division of Resources	Office Division of Resources Moab Field Office	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

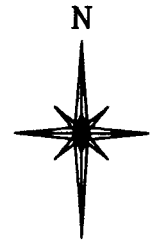
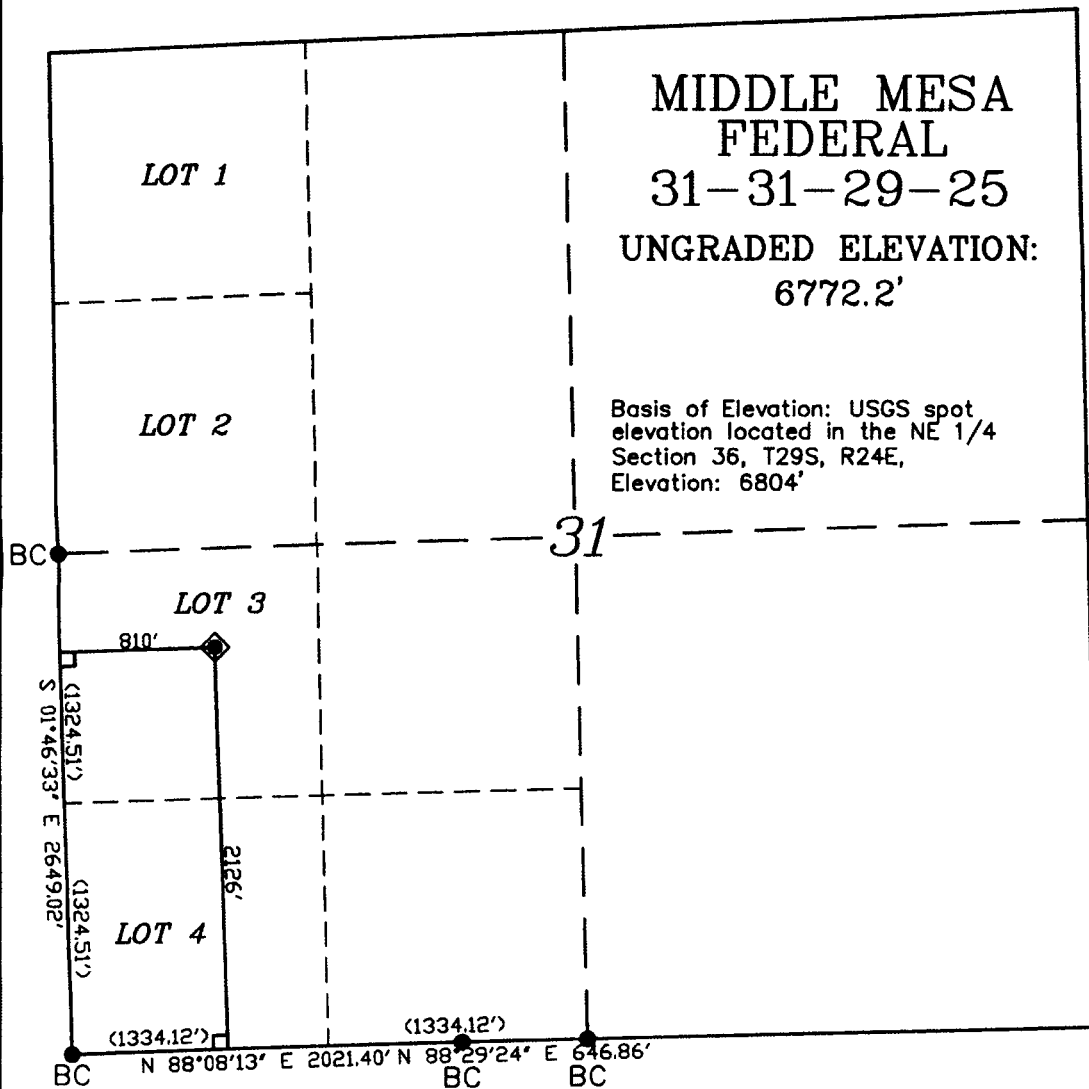
*(Instructions on page 2)

CONDITIONS OF APPROVAL ATTACHED

RECEIVED
SEP 25 2006

DIV. OF OIL, GAS & MINING

R. 25 E.



SCALE: 1" = 1000'

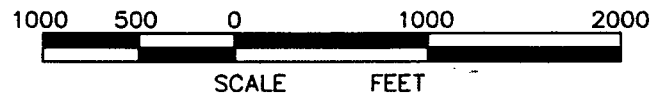
T. 29 S.

LATITUDE
NORTH 38.236189 DEG.

LONGITUDE
WEST 109.214610 DEG.

NORTHING
579513.15
EASTING
2656388.21

DATUM
SPCS UT SOUTH (NAD 27)



SURVEYOR'S STATEMENT

I, Louis A. Pence, of Rock Springs, Wyoming, hereby state: This map was made from notes taken during an actual survey under my direct supervision on JULY 5, 2006, and it correctly shows the location of MIDDLE MESA FEDERAL 31-31-29-25.

NOTES

- ◆ WELL LOCATION
- FOUND MONUMENT



EXHIBIT 1



RIFFIN & ASSOCIATES, INC.

1414 ELK ST., SUITE 202
ROCK SPRINGS, WY 82901
(307) 362-5028

SCALE: 1" = 1000'

JOB No. 14168

REVISED: 7/11/06

**PLAT OF DRILLING LOCATION
FOR
ENCANA OIL & GAS (USA) INC.**

**2126' F/SL & 810' F/WL, SECTION 31,
T. 29 S., R. 25 E., SALT LAKE P.M.
SAN JUAN COUNTY, UTAH**

EnCana Oil & Gas (USA), Inc.
Middle Mesa Federal 31-31-29-25
Lease UTU-84217
Middle Mesa Unit (UTU-82680-X)
Location: NW/SW (Lot 3) Section 31, T29S, R25E
San Juan County, Utah

A COMPLETE COPY OF THIS PERMIT SHALL BE KEPT ON LOCATION from the beginning of site construction through well completion, and shall be available to contractors to ensure compliance.

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that EnCana Oil & Gas (USA), Inc. is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by UT1005 (Principal – EnCana Oil & Gas (USA), Inc.) via surety consent as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

This permit will be valid for a period of one year from the date of approval. After permit termination, a new application must be filed for approval.

All lease operations will be conducted in full compliance with applicable regulations (43 CFR 3100), Onshore Oil and Gas Orders, lease terms, notices to lessees, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors.

A. DRILLING PROGRAM

1. The proposed BOPE is comprised of 3M components in a 2M configuration (i.e. the system does not have a drilling spool with kill line and choke line connections which would elevate it to a 3M rating). However, the BOPE, as proposed, is adequate for anticipated conditions. Installation, testing and operation of the system shall be in conformance with Onshore Oil and Gas Order No. 2.
2. Concurrent approval from the State of Utah, Division of Oil, Gas & Mining (DOGM) is required before conducting any surface disturbing activities.
3. The surface casing shall be set not less than 50 feet into the Chinle Formation.

B. SURFACE USE PLAN

1. Cultural resource sites identified in the inventory report prepared by Four Corners Archaeological Services (4-CAS Report No. 2623), will be avoided during all phases of the project.
2. The operator or his contractor will contact the Moab Field Office (Rich McClure, 435-259- 2127), at least two working days prior to the anticipated start of construction for road and well pad for the Middle Mesa No. 31-31-29-25 Well to schedule a pre-work conference. The construction contractor and an approved archaeologist will attend the pre-work conference to inspect cultural resource sites and discuss procedures for avoidance (such as monitoring, flagging, fencing, constructing berms).
3. In order to avoid impacts to the sites identified in the cultural resources inventory report (4-CAS Report 2623), several actions will be implemented during construction operations:
 - a. An approved archaeologist will monitor fencing, berming, and construction near the cultural resource sites as identified in the inventory report.
 - b. An approved archaeologist will select the boundaries of construction zones and areas for flagging, fencing, constructing soil berms to identify the areas to be avoided during construction. The operator will be responsible for assuring that these areas are identified to construction personnel and that the sites are not impacted during the road construction.
 - c. The operator will be responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts.
 - d. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the operator, or any person working on his behalf, on public or Federal land will be immediately reported to the authorized officer. Operator will suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The operator will be responsible for the cost of evaluation of the discovery and proper mitigation measures. Any decision as to proper mitigation shall be made by the authorized officer after consulting with the operator.
4. In order to protect watershed values, no road/well pad construction or drilling operations will be authorized between November 1 and April 30. The limitation does not apply to maintenance and operation of producing wells. Exceptions to this limitation may be specified in writing by the Moab Field Office.

5. In order to protect wintering big game animals, no road/well pad construction or drilling operations will be authorized between November 1 and May 15. The limitation does not apply to maintenance and operation of producing wells. Exceptions to this limitation may be specified in writing by the Moab Field Office.
6. The operator will be responsible for weed control on the disturbed areas within the limits of the well pad and road construction. The operator will be responsible for consultation with the authorized officer and/or local authorities for acceptable weed control methods.

C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

Building Location- Contact the BLM, Natural Resource Protection Specialist at least 48-hours prior to commencing construction of location.

Spud- The spud date will be reported to BLM 24-hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the Moab Field Office within 24-hours after spudding, regardless of whether spud was made with a dry hole digger or big rig.

Daily Drilling Reports- Daily drilling reports shall detail the progress and status of the well and shall be submitted to the Moab Field Office on a weekly basis.

Oil and Gas Operations Reports (OGORs)- Production from this well shall be reported to Minerals Management Service (MMS) on a monthly basis.

Sundry Notices- There will be no deviation from the proposed drilling and/or workover program without prior approval. "Sundry Notices and Reports on Wells" (Form 3160-5) will be filed with the Moab Field Office for approval of all changes of plans and subsequent operations in accordance with 43 CFR 3162.3-2. Safe drilling and operating practices must be observed.

Drilling Suspensions- Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the Moab Field Office. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

Undesirable Events- Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be immediately reported to the BLM in accordance with requirements of NTL-3A.

Cultural Resources- If cultural resources are discovered during construction, work that might disturb the resources is to stop, and the Moab Field Office is to be notified.

First Production- Should the well be successfully completed for production, the Moab Field Office will be notified when the well is placed in producing status. Such notification may be made by phone, but must be followed by a sundry notice or letter not later than five business days following the date on which the well is placed into production.

A first production conference will be scheduled as soon as the productivity of the well is apparent. This conference should be coordinated through the Moab Field Office. The Moab Field Office shall be notified prior to the first sale.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the Moab Field Office not later than thirty-days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. When requested, samples (cuttings and/or samples) will be submitted to the Moab Field Office.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: ENCANA OIL & GAS (USA) INC

Well Name: MIDDLE MESA FED 31-31-29-25

Api No: 43-037-31854 Lease Type: FEDERAL

Section 31 Township 29S Range 25E County SAN JUAN

Drilling Contractor UNITED RIG # 5

SPUDDED:

Date 10/14/06

Time 10:00 AM

How DRY

Drilling will Commence: _____

Reported by DAVE MOORE

Telephone # (435) 823-1006

Date 10/16/06 Signed CHD

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: EnCana Oil & Gas (USA) Inc. Operator Account Number: N 2175
 Address: 370 Seventeenth Street, Suite 1700
city Denver
state CO zip 80202 Phone Number: (720) 876-5431

Well 1

4303731850	Big Indian Fed 14-21-30-25	SWNW	14	30S	25E	San Juan
A	99999	862.4	10/6/2006	10/26/06		
Comments: <u>HNKRT = HRMS</u>						

Well 2

4303731854	Middle Mesa Fed 31-31-29-35	NWSW	31	29S	25E	San Juan
A	99999	15721	10/14/2006	10/26/06		
Comments: <u>HNKRT = HRMS</u>						

Well 3

Comments:						

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Jane Washburn

Name (Please Print)

Signature

Engineering Tech

Title

10/26/2006

Date

RECEIVED

OCT 26 2006

DIV. OF OIL, GAS & MINING



www.pason.com
16100 Table Mountain Parkway Ste. 100 • Golden • CO • 80403
720-880-2000 • FAX: 720-880-0016

CONFIDENTIAL

October 27, 2006

Utah Division of Oil, Gas & Mining
P.O. Box 145801
Salt Lake City, UT 84114-5801

**RE: ENCANA OIL & GAS (USA), INC.
MIDDLE MESA 31-31
SEC. 31, T29S, R25E
SAN JUAN COUNTY, UT**

API # 43-037-31854

To Whom It May Concern:

Enclosed is the final computer colored log for the above referenced well.

We appreciate the opportunity to be of service to you and look forward to working with you in the near future.

If you have any questions regarding the enclosed data, please contact us.

Sincerely,

A handwritten signature in black ink that reads "Bill Nagel". The signature is written in a cursive, flowing style.

Bill Nagel
Geology Manager
Pason Systems USA
BN/gdr

Encl: 1 Computer Colored Log.

Cc: Stephen Schurger, Encana Oil & Gas (USA), Inc., Denver, CO.

RECEIVED

OCT 30 2006

DIV. OF OIL, GAS & MINING

From: "Holland, Mike" <Mike.Holland@EnCana.com>
To: "Carol Daniels" <caroldaniels@utah.gov>
Date: 10/31/2006 3:09:32 PM
Subject: RE: FW: Oil and Gas wells MUST retain CONFIDENTIAL STATUS!

Hi, Carol!

Thank you for informing us that the mud^d log for the Middle Mesa #31-31 well was not clearly marked as confidential. EnCana does desire to maintain this information as confidential; please assign confidentiality to this information. Thks. mth

Michael Holland, CPL
EnCana Oil & Gas (USA) Inc.
370 17th Street, Suite 1700
Denver, CO 80202
(720) 876-5264
(720) 876-6264 fax

-----Original Message-----

From: Carol Daniels [mailto:caroldaniels@utah.gov]
Sent: Tuesday, October 31, 2006 11:08 AM
To: Holland, Mike
Subject: Re: FW: Oil and Gas wells MUST retain CONFIDENTIAL STATUS!

Mr Holland,

I have received a Mud Log for the MIDDLE MESA 31-31 well, API # 43 037 31854, T29S R25E SEC 31. This well has not been flagged "Confidential". There is nothing noted in the well file requesting "Confidential Status". If you want confidential status to be in effect, please let me know.

Thank you!

Carol Daniels
(801) 538-5284
(801) 359-3940 Fax



EnCana Oil & Gas (USA) Inc.

370 17th Street
Suite 1700
Denver, CO 80202

tel: (303) 623-2300
fax: (303) 623-2400
www.encana.com

October 30, 2006

Re: Notice of Well Capable of Production
Middle Mesa Fed #31-31-29-25 Well
Lot 3 (NWSW) of Sec. 31, T29S, R25E
Middle Mesa Unit Area
San Juan County, Utah

43-637-31854
UTAH DIVISION OF OIL, GAS AND MINING
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801
Attn: Brad Hill

Petroleum Geologist

CONFIDENTIAL INFORMATION

Dear Brad,

Be advised that the above captioned well is producing. The following information is provided for your review:

Operator Name: EnCana Oil & Gas (USA) Inc.

Well Identification: Middle Mesa Fed 31-31-29-25

Unit Agreement: Middle Mesa Unit UTU-82680X

APD Location (w Sundry): 2126' FSL, 810' FWL of Section 31, Township 29 South, Range 25 East

Geologic analysis: A summary of geologic tops are as follows:

Entrada	938'
Navajo	1208'
Kayenta	1714'
Wingate	1963'
Chinle	2241'
Cutler	2415'
Honaker Trail	4042'
La Sal	5452'
TD	5922'

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

Initial Potential Test Data: The well tested from 7:30 am on October 30, 2006 to 7:30 am on October 31, 2006, made 104 mcf, 32.75 BO over the 24 hour period of time.

Thank you for your immediate attention to this matter. PLEASE KEEP THIS INFORMATION CONFIDENTIAL! If you have questions or if I may be of service, please contact me at 720-876-5264.

Sincerely,
ENCANA OIL & GAS (USA) INC.

Michael J. Holland

Michael Holland
Land Negotiator

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NOV 02 2006

Cc: mth, ca, gh, lh, bm, USDI - BLM

DIV. OF OIL, GAS & MINING

CONFIDENTIAL

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: November 30, 2000

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Dry <input type="checkbox"/> Other: _____		5. Lease Serial No. UTU-84217
1b. Type of Completion: New Well <input checked="" type="checkbox"/> Workover <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resrv. <input type="checkbox"/> Other: _____		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator EnCana Oil & Gas (USA) Inc.		7. Unit or CA Agreement Name and No. Middle Mesa Unit, UTU 82680X
3. Address 370 17th Street, Suite 1700, Denver, Colorado 80202 720-876-3678		8. Lease Name and Well No. Middle Mesa Fed 31-31-29-25
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At Surface NW SW Sec. 31-T29S-R25E, 2126' FSL & 810' FWL At top prod. interval reported below At total depth		9. API Well No. 43-037-31854
14. Date Spudded 10-14-06		10. Field and Pool, or Exploratory Wildcat
15. Date T.D. Reached 10-23-06		11. Sec., T., R., M., on Block and Survey or Area Sec.31-T29S-R25E
16. Date Completed. (prod) <input type="checkbox"/> D&A <input checked="" type="checkbox"/> Ready to Prod. 10-25-06 (Rig Rel Date)		12. County/Parish San Juan
		13. State Utah
		17. Elevations (DF, RKB, RT, GL) * 6772.2' GR, 6784.8' KB

18. Total Depth: MC MD 5922' TVD	19. Plug Back T.D.: MD TVD	20. Depth Bridge Plug Set: MD TVD									
21. Type Electric & Other Mechanical Logs Run (Submit Copy of each) CBL, Platform Express, GR, CCL, temp.		22. Was Well Cored? Was DST run? Directional Survey? <table border="1" style="display: inline-table; vertical-align: top;"> <tr><td>No</td><td><input type="checkbox"/></td><td>Yes (Submit analysis)</td></tr> <tr><td>No</td><td><input type="checkbox"/></td><td>Yes (Submit report)</td></tr> <tr><td>No</td><td><input checked="" type="checkbox"/></td><td>Yes (Submit copy)</td></tr> </table>	No	<input type="checkbox"/>	Yes (Submit analysis)	No	<input type="checkbox"/>	Yes (Submit report)	No	<input checked="" type="checkbox"/>	Yes (Submit copy)
No	<input type="checkbox"/>	Yes (Submit analysis)									
No	<input type="checkbox"/>	Yes (Submit report)									
No	<input checked="" type="checkbox"/>	Yes (Submit copy)									

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Skis & Type of Cement	Slurry vol. (BBL)	Cement Top*	Amount Pulled
12.250"	9.625"	32#	Surface	2305'		550 Class G Lead, 100 Class G Tail		surface	
7.875"	4-1/2"(I-80)	11.6#	Surface	5922'		1445 sxs 50/50 Poz G			

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-3/8"	5300'							

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf Status
A) La Sal - HNKRT	5417'	5438'	5417' - 5438'		84	open
B)	5794'	5798'	5794' - 5798'		16	open
C)	5820'	5836'	5820' - 5836'		64	open
D)						

Depth Interval	Amount and Type of Material
5417' - 5438'	Frac'd w/ 77,500# 20/40 sand, 70Q N2 frac, 380 Bbls fluid
5794'-5798'& 5820' - 5836'	Frac'd w/ 20,000# 20/40 sand, 70Q N2 frac, 204 Bbls fluid

28. Production - Interval A									
Date First Prod	Test Date	Hours Tested	Test Production	Oil (BBL)	Gas (MCF)	Water (BBL)	Oil Gravity Corr.	Gas Gravity	Production Method
10-29-06	10-30-06	24		30	113	0	API		Flowing
Choke Size	Tbg Press. Flwg./ SI	Csg Press.	24 Hr. Rate	Oil (BBL)	Gas (MCF)	Water (BBL)	Gas:Oil Ratio	Well Status	
				30	113	0		Producing	

28a. Productin - Interval B									
Date First Prod	Test Date	Hours Tested	Test Production	Oil (BBL)	Gas (MCF)	Water (BBL)	Oil Gravity Corr.	Gas Gravity	Production Method
							API		
Choke Size	Tbg Press. Flwg./ SI	Csg Press.	24 Hr. Rate	Oil (BBL)	Gas (MCF)	Water (BBL)	Gas:Oil Ratio	Well Status	

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FEB 07 2007

DIV. OF OIL, GAS & MINING

28b. Production - Interval C

Date First Prod	Test Date	Hours Tested	Test Production	Oil (BBL)	Gas (MCF)	Water (BBL)	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg Press. Pwg./ SI	Csg Press.	24 Hr. Rate	Oil (BBL)	Gas (MCF)	Water (BBL)	Gas:Oil Ratio	Well Status	

28c. Production - Interval D

Date First Prod	Test Date	Hours Tested	Test Production	Oil (BBL)	Gas (MCF)	Water (BBL)	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg Press. Pwg./ SI	Csg Press.	24 Hr. Rate	Oil (BBL)	Gas (MCF)	Water (BBL)	Gas:Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
				Cutler Hermosa	2323' 3116'

32. Additional remarks (include plugging procedure):

33. Circle enclosed attachments:

1. Electrical/Mechanical Logs (1 full set req'd.)

2. Geologic Report

3. DST Report

4. Directional Survey

5. Sundry Notice for plugging and cement verification

6. Core Analysis

7. Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print)

Sheilla D. Reed-High

Title

Operations Technologist

Signature

Date

01-10-07

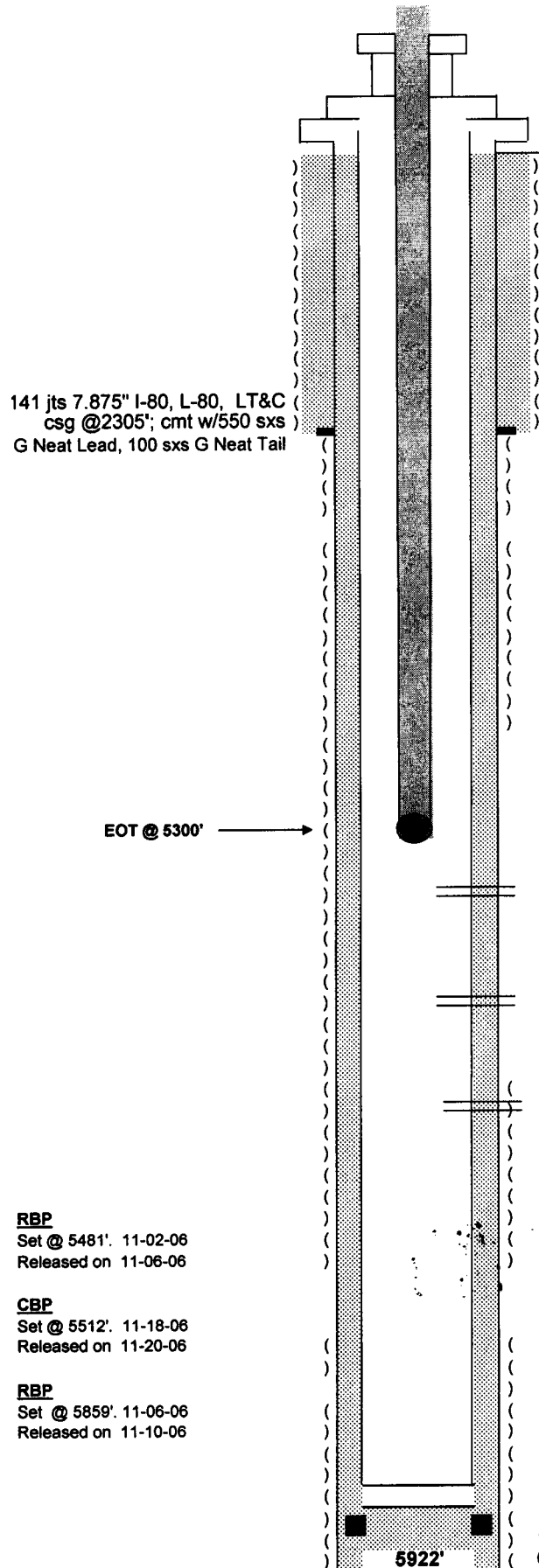
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United

States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

WELLBORE DIAGRAM

Surface Loc: 2126' FSL, 810' FWL

Operator: EnCana Oil & Gas (USA) Inc.
Well Name: Middle Mesa Fed 31-31-29-35
Lease Number: UTU 84217
Location: NW SW Sec 31-T29S-R25E
Field: Wildcat
County: San Juan
API Number: 43-037-31854



KB 6784.8'
GL 6772.2'

Well History

Spud Date 10-14-06
TD Reached 10-23-06
Rig Released 10-25-06

Tubing Detail:

KB
169 jts 2-3/8" new tbg
1 - 1.87 F Niple
1 jt 2-3/8" tbg
1 - 1.81 F-Nipple
1 - 4' pup jt.
Re-Entry Guide
EOT

Depth:

11.00
5251.00
1.00
31.45
1.00
4.00
1.00
5300.00

EOT @ 5300'

5417'-5438' La Sal Perfs shot 10-28-06 (84 holes) } Breakdown w/ 250 MCF N2
3-3/8", 4 SPF, 120° phasing

5794'-5798' La Sal Perfs shot 10-28-06 (16 holes)
3-3/8", 4 SPF, 120° phasing

5820'-5836' La Sal Perfs shot 10-28-06 (64 holes)
3-3/8", 4 SPF, 120° phasing

Breakdown w/ 250 MCF N2 @5000-8000
scf/min.

RBP

Set @ 5481'. 11-02-06
Released on 11-06-06

CBP

Set @ 5512'. 11-18-06
Released on 11-20-06

RBP

Set @ 5859'. 11-06-06
Released on 11-10-06

5922'

141 jts 4.5" 11.60# I-80 and L-80 LT&C csg @ 5922'
Cmt w/1445 sx 50/50 Poz G Tail

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**CONFIDENTIAL**FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007**SUNDRY NOTICES AND REPORTS ON WELLS**Do not use this form for proposals to drill, or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.**SUBMIT IN TRIPLICATE**

1. Type of Well

☐ Oil Well☒ Gas Well☐ Other

2. Name of Operator:

EnCana Oil & Gas (USA) Inc.

3a. Address

370 Seventeenth Street, Suite 1700
Denver, CO 80202

3b. Phone No. (include area code)

Jane Washburn 720/876-
5431

4. Location of Well (Footage, T, R, M, or Survey Description)

NWSW Sec 31-29S-25E
2126' FSL & 810' FWL

5. Lease Serial No.

UTU-842170

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement Designation

UTU-82680X

8. Well Name and No.

Middle Mesa Fed 31-31-29-25

9. API Well No.

43-037-31854

10. Field and Pool, or Exploratory Area

Wildcat

11. County or Parish, State

San Juan County, Utah

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (start/resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Perfs Added
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with the BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, A form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Please be advised that EnCana Oil & Gas (USA) Inc. added perfs to the Middle Mesa Fed 31-31-29-25 at the following intervals in the Hermosa:

Perforated Interval	No. Holes	Treatment
4710-4749	116	None
4977-4994	68	70Q N2 frac with 269 BBL water and 305 MCF N2. 16,470 lb 20/40 sand
5254-5278	40	70Q N2 frac with 269 BBL water and 389 MCF N2. 26,749 lb 20/40 sand

A CPB was set @ 5380 and 2-3/8" tbg landed @ 5016'. Attached is an updated wellbore diagram.

RECEIVED**SEP 04 2007****DIV. OF OIL, GAS & MINING**

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Jane Washburn

Title

Engineering Technician

Signature

Date

08/30/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

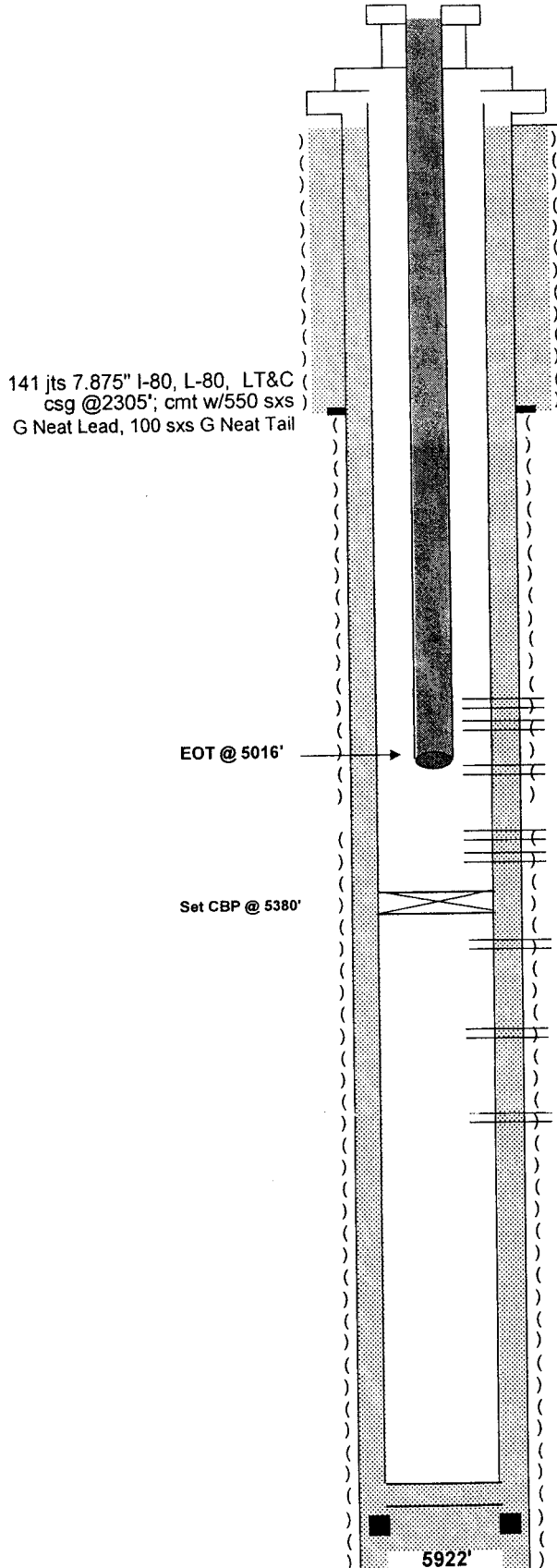
Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

WELLBORE DIAGRAM

Surface Loc: 2126' FSL, 810' FWL

Operator: EnCana Oil & Gas (USA) Inc.
Well Name: Middle Mesa Fed 31-31-29-35
Lease Number: UTU 84217
Location: NW SW Sec 31-T29S-R25E
Field: Wildcat
County: San Juan
API Number: 43-037-31854
Rev 8/30/07 jw



KB 6784.8'
GL 6772.2'

Well History

Spud Date 10-14-06
TD Reached 10-23-06
Rig Released 10-25-06

Tubing Detail (6/13/07):

KB 20.00
169 jts 2-3/8" new tbg 4958.10
1 - 1.87 F Niple 1.00
1 jt 2-3/8" tbg 31.45
1 - 1.81 F-Nipple 1.00
1 - 4' pup jt. 4.00
Notched collar 0.65
EOT 5016.20

Depth:

4710-4724 Hermosa Perfs shot 6/11/07 (116 holes)
4734-4749 3-3/8", 4 SPF
4977-4994 Hermosa Perfs shot 6/11/07 (68 holes)
3-3/8", 4 SPF
70Q N2 frac with 269 bbl wtr, 305 Mcf N2, 16,470 # 20/40 sand
5254-5258 Hermosa Perfs shot 6/07/07 (40 holes)
5272-5278 3-3/8", 4 SPF
70Q N2 frac with 269 bbl wtr, 389 Mcf N2, 26,749 # 20/40 sand
5417'-5438' Hermosa Perfs shot 10-28-06 (84 holes) } Breakdown w/ 250 MCF N2
3-3/8", 4 SPF, 120° phasing
5794'-5798' Hermosa Perfs shot 10-28-06 (16 holes) } Breakdown w/ 250 MCF N2 @5000-8000
3-3/8", 4 SPF, 120° phasing } scf/min.
5820'-5836' Hermosa Perfs shot 10-28-06 (64 holes) }
3-3/8", 4 SPF, 120° phasing }

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

CONFIDENTIAL

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

State of Utah

COPY

Do not use this form for proposals to drill, or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. UTU-842170
2. Name of Operator: EnCana Oil & Gas (USA) Inc.		6. If Indian, Allote or Tribe Name
3a. Address 370 Seventeenth Street, Suite 1700 Denver, CO 80202	3b. Phone No. (include area code) Jane Washburn 720/876-5431	7. If Unit or CA/Agreement Designation UTU-82680X
4. Location of Well (Footage, T, R, M, or Survey Description) NWSW Sec 31-29S-25E 2126' FSL & 810' FWL		8. Well Name and No. Middle Mesa Fed 31-31-29-25
		9. API Well No. 43-037-31854
		10. Field and Pool, or Exploratory Area Wildcat
		11. County or Parish, State San Juan County, Utah

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA	
TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (start/resume) <input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing <input type="checkbox"/> Reclamation <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon <input type="checkbox"/> Perfs Added
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal

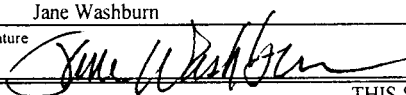
13. Describe Proposed or completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with the BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, A form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be tiled only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Please be advised that EnCana Oil & Gas (USA) Inc. added perfs to the Middle Mesa Fed 31-31-29-25 at the following intervals in the ~~Hermosa~~-Honaker Trail:

Perforated Interval	No. Holes	Treatment
4710-4749	116	None
4977-4994	68	70Q N2 frac with 269 BBL water and 305 MCF N2. 16,470 lb 20/40 sand
5254-5278	40	70Q N2 frac with 269 BBL water and 389 MCF N2. 26,749 lb 20/40 sand

A CPB was set @ 5380 and 2-3/8" tbg landed @ 5016'. Attached is an updated wellbore diagram.

(This Sundry Notice was revised to reflect Honaker Trail as the producing formation rather than Hermosa to stay consistent with previously submitted forms.)

14. I hereby certify that the foregoing is true and correct		
Name (Printed/Typed) Jane Washburn	Title Engineering Technician	
Signature 	Date 08/30/2007 (Revised 9/28/07)	
THIS SPACE FOR FEDERAL OR STATE OFFICE USE		
Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for ny person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.		

RECEIVED
OCT 01 2007

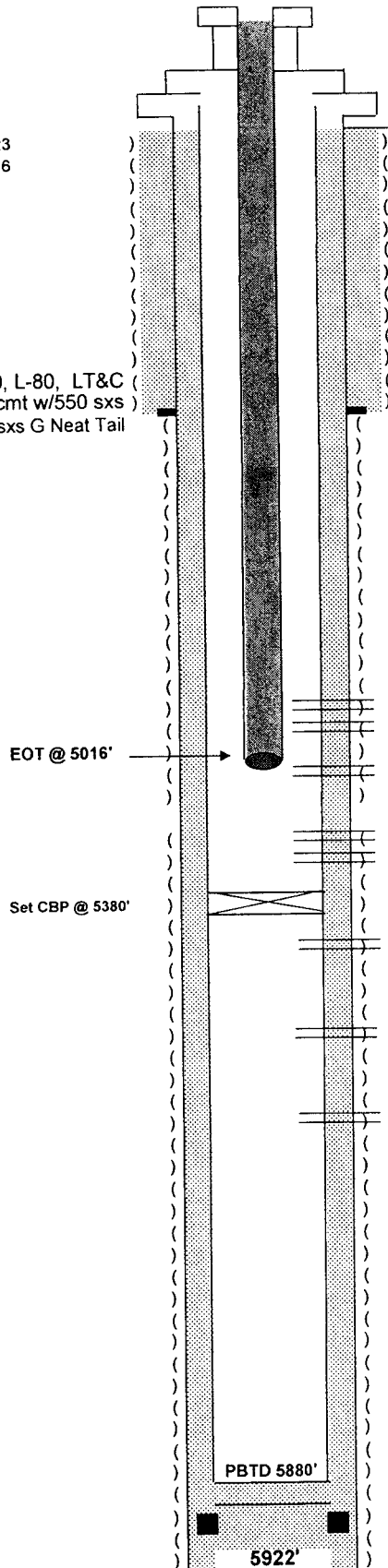
WELLBORE DIAGRAM

Surface Loc: 2126' FSL, 810' FWL

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 Lease Number: UTU 84217
 Location: NW SW Sec 31-T29S-R25E
 Field: Wildcat
 County: San Juan
 API Number: 43-037-31854
 Rev 9/28/07 jw

Formation Tops:
 Cutler 2323
 Hermosa 3116

141 jts 7.875" I-80, L-80, LT&C
 csg @2305'; cmt w/550 sxs
 G Neat Lead, 100 sxs G Neat Tail



KB 6784.8'
 GL 6772.2'

Well History

Spud Date 10-14-06
 TD Reached 10-23-06
 Rig Released 10-25-06

Tubing Detail (6/13/07):

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Notched collar	0.65
EOT	5016.20

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 4734-4749 3-3/8", 4 SPF

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5417'-5438' Honaker Trail Perfs shot 10-28-06 (84 holes) Breakdown w/ 250 MCF N2
 3-3/8", 4 SPF, 120° phasing

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5820'-5836' Honaker Trail Perfs shot 10-28-06 (64 holes)
 3-3/8", 4 SPF, 120° phasing

Breakdown w/ 250 MCF N2 @5000-8000
 scf/min.

PBTD 5880'

5922'

141 jts 4.5" 11.60# I-80 and L-80 LT&C csg @ 5922'
 Cmt w/1445 sx 50/50 Poz G Tail

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET (for state use only)

ROUTING
CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

5/14/2010

FROM: (Old Operator): N2175-EnCana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202 Phone: 1 (303) 623-2300				TO: (New Operator): N3670-Patara Oil & Gas, LLC 333 Clay Street, Suite 3960 Houston, TX 77002 Phone: 1 (713) 357-7171			
CA No.				Unit:			
MIDDLE MESA							
WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE
SEE ATTACHED							
							WELL STATUS

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 5/11/2010
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 5/11/2010
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 5/11/2010
- a. Is the new operator registered in the State of Utah: Business Number: 7655540-0161
- a. (R649-9-2) Waste Management Plan has been received on: * * requested 9/27/10
- b. Inspections of LA PA state/fee well sites complete on: * * requested 9/27/10
- c. Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA
- Federal and Indian Units:**
 The BLM or BIA has approved the successor of unit operator for wells listed on: 6/28/2010 & 9/2/2010
- Federal and Indian Communization Agreements ("CA"):**
 The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** Division has approved UIC Form 5 Transfer of Authority to Inject, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: 6/29/2010
 Lisbon B-816 only

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 9/14/2010
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 9/14/2010
- Bond information entered in RBDMS on: 9/14/2010
- Fee/State wells attached to bond in RBDMS on: 9/14/2010
- Injection Projects to new operator in RBDMS on: 9/14/2010
- Receipt of Acceptance of Drilling Procedures for APD/New on: 5/11/2010

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: UTB000428
- Indian well(s) covered by Bond Number: n/a
- a. (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number RLB0013207 & B006008
- b. The **FORMER** operator has requested a release of liability from their bond on: not yet

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: n/a

COMMENTS:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: ENCANA OIL & GAS (USA) INC. <i>N2175</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 370 17th Street, Suite 1700 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 623-2300		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: See Attached List COUNTY:		8. WELL NAME and NUMBER:
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		9. API NUMBER:
		10. FIELD AND POOL, OR WILDCAT:
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Effective May 4, 2010 Patara Oil & Gas LLC, 333 Clay Street, Suite 3960, Houston, TX 77002, will take over completions and operations and is designated as agent operator for the subject wells on the attached list.

Bond coverage for all activities will be covered by Patara's BLM Statewide Oil & Gas Bond No. UTB000428 and UDOGM Bond No. Pending. *RFB 0013207 + B 0006008*

Patara Oil & Gas LLC, Lane M. Kincannon, Vice-President, Land & Business Development *N3670*

Signature *[Signature]* Date 5/4/2010

NAME (PLEASE PRINT) <u>Ricardo D. Gallegos</u>	TITLE <u>Attorney-in-Fact</u>
SIGNATURE <i>[Signature]</i>	DATE <u>5/4/2010</u>

(This space for State use only)

APPROVED *9/14/2010*
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

RECEIVED
May 11 2010 ER
DIV. OF OIL, GAS & MINING

ENCANA O-G (N2175) to PATARA O-G (N3670)
effective May 4, 2010
MIDDLE MESA

well_name	sec	twp	rng	api	entity	lease	well	stat	C
BIG INDIAN 35-24	35	290S	240E	4303731829	14409	Federal	GW	S	
MIDDLE MESA ST 36-14-29-24	36	290S	240E	4303731838	15076	State	GW	P	
MIDDLE MESA FED 5-6-30-25	05	300S	250E	4303731853	16375	Federal	GW	P	
MIDDLE MESA FED 31-31-29-25	31	290S	250E	4303731854	15721	Federal	GW	P	
MIDDLE MESA ST 36-12-29-24	36	290S	240E	4303731855	16187	State	GW	P	
MIDDLE MESA ST 36-24-29-24	36	290S	240E	4303731856	16186	State	GW	S	
MIDDLE MESA ST 36-12B-29-24	36	290S	240E	4303731877	15076	State	GW	P	
MIDDLE MESA ST 36-24B-29-24	36	290S	240E	4303731878	16834	State	GW	P	
MIDDLE MESA FED 30-41-29-25	30	290S	250E	4303731893		Federal	GW	APD	C
MIDDLE MESA FED 31-42-29-25	31	290S	250E	4303731895		Federal	GW	APD	C
MIDDLE MESA FED 5-10-30-25	05	300S	250E	4303731897		Federal	GW	APD	
MIDDLE MESA FED 4-20-30-25	04	300S	250E	4303731898		Federal	GW	APD	C
MIDDLE MESA FED 25-43-29-24	25	290S	240E	4303731901		Federal	GW	APD	C
MIDDLE MESA FED 25-31-29-24	25	290S	240E	4303731903		Federal	GW	APD	C
MIDDLE MESA FED 26-34-29-24	26	290S	240E	4303731904		Federal	GW	APD	C
MIDDLE MESA FED 26-23-29-24	26	290S	240E	4303731905		Federal	GW	APD	C
MIDDLE MESA FED 31-44-29-25	31	290S	250E	4303731906		Federal	GW	APD	C
MIDDLE MESA FED 31-33-29-25	31	290S	250E	4303731907		Federal	GW	APD	C
MIDDLE MESA FED 5-8-30-25	05	300S	250E	4303731908		Federal	GW	APD	C
MIDDLE MESA FED 31-22-29-25	31	290S	250E	4303731909		Federal	GW	APD	
MIDDLE MESA FED 31-11-29-25	31	290S	250E	4303731910		Federal	GW	APD	
**Moved 7/14/2010									
MIDDLE MESA FED 25-41-29-24	25	290S	240E	4303731902		Federal	GW	APD	C



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov/ut/st/en.html>



IN REPLY REFER TO
3180
UT-922

June 28, 2010

David M. Laramie
Patara Oil & Gas, LLC
621 17th Street, Suite 1345
Denver, CO 80293

Re: Successor Operator
Middle Mesa Unit
UTU82680X
San Juan County, Utah

Dear Mr. Laramie:

On June 25, 2010, we received an indenture dated May 4, 2010, whereby EnCana Oil & Gas (USA), Inc. resigned as Unit Operator and Patara Oil & Gas, LLC was designated as Successor Unit Operator for the Middle Mesa Unit, San Juan County, Utah. The indenture was executed by both parties and the signatory parties (working interest owners) have complied with Sections 5 and 6 of the unit agreement.

The instrument is hereby approved effective June 28, 2010. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Middle Mesa Unit Agreement.

Your statewide oil and gas BLM Bond No. UTB000428 will be used to cover unit operations.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate Federal offices, with one copy returned herewith.

If you have any questions, contact Leslie Wilcken of this office at (801) 539-4112.

Sincerely,

/s/ Roger L. Bankert

Roger L. Bankert
Chief, Branch of Minerals

Enclosure

RECEIVED

JUL 06 2010

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-842170
2. NAME OF OPERATOR: Patara Oil & Gas, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 600 17th Street Suite 1900S CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: UTU-82680X
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2126' FSL & 810' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 31 29S 25E		8. WELL NAME and NUMBER: Middle Mesa Fed 31-31-29-25
PHONE NUMBER: (303) 563-5369		9. API NUMBER: 4303731854
COUNTY: San Juan		10. FIELD AND POOL, OR WILDCAT: Middle Mesa
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 2/1/2011	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
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	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input checked="" type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Patara Oil & Gas proposes to remove the CIBP which was installed in June 2007 over the lower Honaker Trail intervals and commingle those intervals with existing Honaker Trail perforations. The previous operator, EnCana, plugged off the intervals of 5820 - 5836', 5794 - 5798' and 5714 - 5438' which were producing an average 450 mcf/d and 50 BOPD. EnCana's intent was to return at a later date and commingle with uphole completions.

The upper Honaker Trail intervals 4710 - 4749', 4977 - 4994' and 5254 - 5278' were completed in June 2007 and have been producing gas since that date. Current production is averaging 650 mcf/d.

Patara believes that the intervals should be of similar reservoir pressure and that the gas from the upper Honaker Trail perms will aid in producing the remaining liquid reserves in the lower intervals. Patara has been successful in area wells controlling paraffin and maintaining production. It is believed that the paraffin problems led EnCana to set the CIBP in 2007.

A proposed recompletion procedure is attached along with a production history plot, existing wellbore diagram and a proposed wellbore diagram.

COPY SENT TO OPERATOR

Date: 2.16.2011

Initials: KS

NAME (PLEASE PRINT) John B. Warren	TITLE Production Manager
SIGNATURE 	DATE 1/27/2011

(This space for State use only)

Accepted by the
Utah Division of
Oil, Gas and Mining

Date: 2/14/2011

By:  (See Instructions on Reverse Side)

Federal Approval Of This
Action Is Necessary

RECEIVED

FEB 01 2011

DIV. OF OIL, GAS & MINING

INSTRUCTIONS

This form shall be submitted by the operator to show the intention and/or completion of the following:

- miscellaneous work projects and actions for which other specific report forms do not exist;
- all other work and events as identified in section 11, Type of Action, or as required by the Utah Oil and Gas Conservation General Rules, including:
 - minor deepening of an existing well bore,
 - plugging back a well,
 - recompleting to a different producing formation within an existing well bore (intent only),
 - reperforating the current producing formation,
 - drilling a sidetrack to repair a well,
 - reporting monthly the status of each drilling well.

This form is not to be used for proposals to

- drill new wells,
- reenter previously plugged and abandoned wells,
- significantly deepen existing wells below their current bottom-hole depth,
- drill horizontal laterals from an existing well bore,
- drill hydrocarbon exploratory holes such as core samples and stratigraphic tests.

Use Form 3, Application for Permit to Drill (APD) for such proposals.

NOTICE OF INTENT - A notice of intention to do work on a well or to change plans previously approved shall be submitted in duplicate and must be received and approved by the division before the work is commenced. The operator is responsible for receipt of the notice by the division in ample time for proper consideration and action. In cases of emergency, the operator may obtain verbal approval to commence work. Within five days after receiving verbal approval, the operator shall submit a Sundry Notice describing the work and acknowledging the verbal approval.

SUBSEQUENT REPORT - A subsequent report shall be submitted to the division within 30 days of the completion of the outlined work. Specific details of the work performed should be provided, including dates, well depths, placement of plugs, etc.

WELL ABANDONMENT - Proposals to abandon a well and subsequent reports of abandonment should include reasons for the abandonment; data on any former or present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, and method of parting of any casing, liner, or tubing pulled and the depth to top of any left in the hole; method of closing top of well; and date well site conditioned for final inspection looking to approval of the abandonment.

In addition to any Sundry Notice forms submitted, **Form 8, Well Completion or Recompletion Report and Log** must be submitted to the division to report the results of the following operations:

- completing or plugging a new well,
- reentering a previously plugged and abandoned well,
- significantly deepening an existing well bore below the current bottom-hole depth,
- drilling horizontal laterals from an existing well bore,
- drilling hydrocarbon exploratory holes such as core samples and stratigraphic tests,
- recompleting to a different producing formation.

Send to:

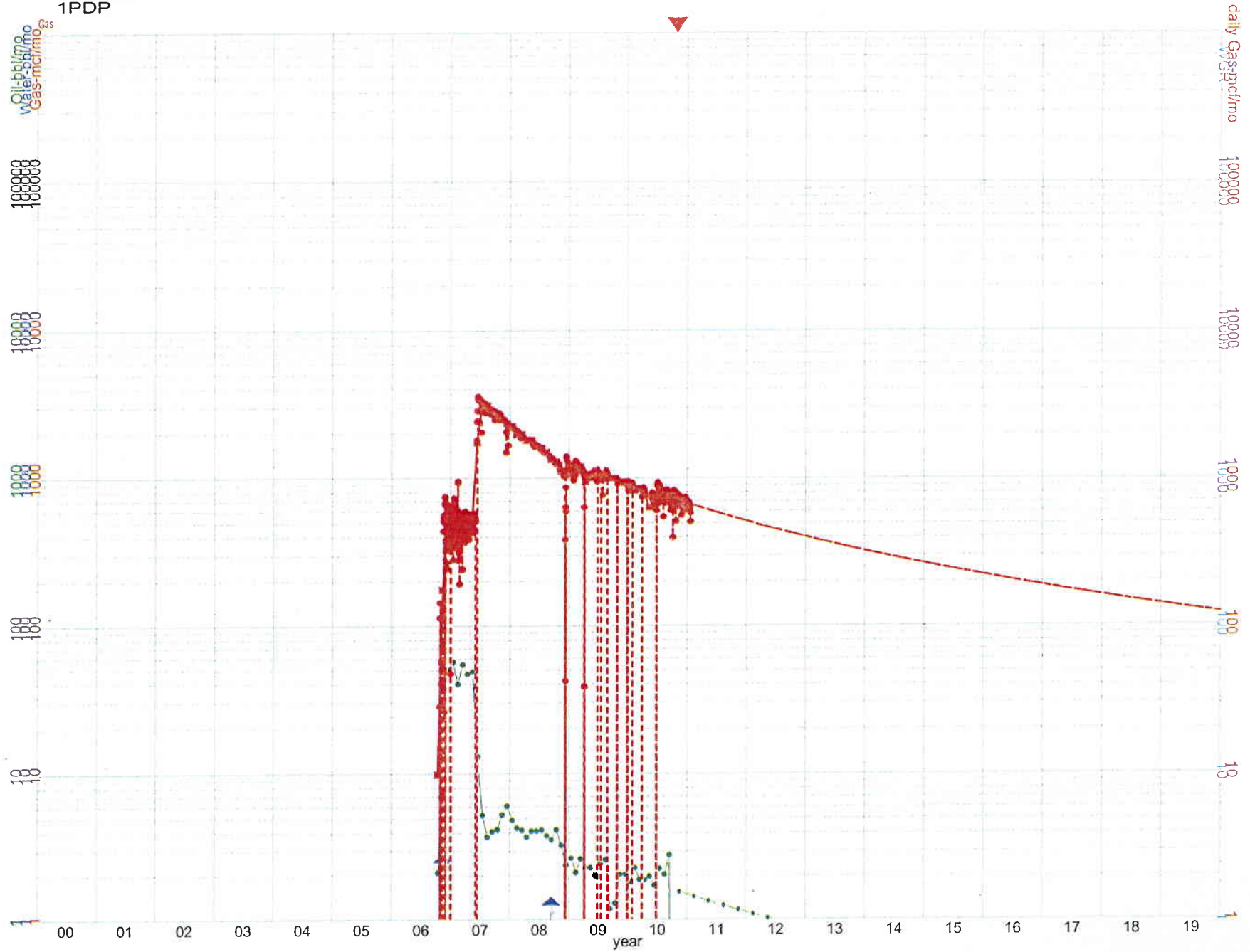
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

MIDDLE MESA 31-31

LASAL
SAN JUAN, UT
1PDP



WELLBORE DIAGRAM

Surface Loc: 2126' FSL, 810' FWL

Operator: EnCana Oil & Gas (USA) Inc.
 Well Name: Middle Mesa Fed 31-31-29-35
 Lease Number: UTU 84217
 Location: NW SW Sec 31-T29S-R25E
 Field: Wildcat
 County: San Juan
 API Number: 43-037-31854
 Rev 9/28/07 jw

Formation Tops:
 Cutler 2323
 Hermosa 3116

141 jts 7.875" I-80, L-80, LT&C
 csg @2305'; cmt w/550 sxs
 G Neat Lead, 100 sxs G Neat Tail

KB 6784.8'

GL 6772.2'

Well History

Spud Date 10-14-06
 TD Reached 10-23-06
 Rig Released 10-25-06

Tubing Detail (6/13/07):

	Depth:
KB	20.00
169 jts 2-3/8" new tbg	4958.10
1 - 1.87 F Niple	1.00
1 jt 2-3/8" tbg	31.45
1 - 1.81 F-Nipple	1.00
1 - 4' pup jt.	4.00
Notched collar	0.65
EOT	5016.20

EOT @ 5016'

Set CBP @ 5380'

PBTD 5880'

5922'

4710-4724 Honaker Trail Perfs shot 6/11/07 (116 holes)
 4734-4749 3-3/8", 4 SPF

4977-4994 Honaker Trail Perfs shot 6/11/07 (68 holes)
 3-3/8", 4 SPF

70Q N2 frac with 269 bbl wtr, 305 Mcf N2, 16,470 # 20/40 sand
 5254-5258 Honaker Trail Perfs shot 6/07/07 (40 holes)
 5272-5278 3-3/8", 4 SPF
 70Q N2 frac with 269 bbl wtr, 389 Mcf N2, 26,749 # 20/40 sand

5417'-5438' Honaker Trail Perfs shot 10-28-06 (84 holes Breakdown w/ 250 MCF N2
 3-3/8", 4 SPF, 120° phasing

5794'-5798' Honaker Trail Perfs shot 10-28-06 (16 holes)
 3-3/8", 4 SPF, 120° phasing

5820'-5836' Honaker Trail Perfs shot 10-28-06 (64 holes)
 3-3/8", 4 SPF, 120° phasing

Breakdown w/ 250 MCF N2 @5000-8000
 scf/min.

141 jts 4.5" 11.60# I-80 and L-80 LT&C csg @ 5922'
 Cmt w/1445 sx 50/50 Poz G Tail

Patara Middle Mesa Federal 31-31
Work-over Procedure to Commingle the Honaker Trail and LaSalle
Formations

1. MIRU a Daylight Workover Rig with a Swab line.
2. Bleed the well to zero psi. Kill the well as necessary with lease salt water.
3. Set a BPV in the tubing hanger. ND the 7-1/16" 5M x 2-1/16" 5M Tree.
4. NU the rig's 7-1/16" 5M BOP'S with blind rams on top and 2-3/8" rams on bottom.
5. Pull the BPV and install a Blanking Plug. Test the Bop's to 250 psi low and 3000 psi high. Pull the Blanking Plug.
6. Have 1000' of 2-3/8" 4.7 #/ft N-80 Eue 8rd Tubing delivered to the location.
7. POOH with tubing racking the 2-3/8" 4.7 #/ft N-80 Eue 8rd Tubing (169 jts) in the derrick. Visually inspect the tubing for excessive pitting. Be prepared to replace bad tubing.
8. PU a 3-7/8" Mill, Pump-off bit sub, 4 ft 2-3/8" 4.7 #/ft pup joint, 1.791" "F" Nipple and place it on the bottom of the 2-3/8" 4.7 #/ft N-80 Eue 8rd Tubing. TIH.
9. Rig up the Nitrogen / Foam pumping unit.
10. Drill the CIBP at 5310' circulating with Nitrogen foam as necessary. Clean the well to PBTD (5880' +/-).

Note: Be prepared to pump and or spot diesel pills as necessary to dissolve any paraffin build up in the well bore.

11. Drop the Pump-Off ball. Pump off the bit sub.

12. POOH and land the hanger with the tubing at 5300'+/-.

13. Set a Blanking plug in the hanger. ND the Bop's. NU the 2-1/16" 5M tree.

14. Test the tree to 5000 psi. Pull the Blanking Plug.

15. NU the tree to the well flow line.

16. Swab the well as necessary.

17. Test the well.

18. RDMO the Work-over rig.

R B Risien P E 1/11/2011

WELLBORE DIAGRAM

Surface Loc: 2126' FSL, 810' FWL

Operator: EnCana Oil & Gas (USA) Inc.
Well Name: Middle Mesa Fed 31-31-29-35
Lease Number: UTU 84217
Location: NW SW Sec 31-T29S-R25E
Field: Wildcat
County: San Juan
API Number: 43-037-31854
Proposed 1/11/2011 R B Risien

Formation Tops:
Cutler 2323
Hermosa 3116

KB 6784.8'
GL 6772.2'

Well History

Spud Date 10-14-06
TD Reached 10-23-06
Rig Released 10-25-06

141 jts 7.875" I-80, L-80, LT&C
csg @2305'; cmt w/550 sxs)
G Neat Lead, 100 sxs G Neat Tail

EOT @ 5300'

4710-4724 Honaker Trail Perfs shot 6/11/07 (116 holes)
4734-4749 3-3/8", 4 SPF

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5417'-5438' Honaker Trail Perfs shot 10-28-06 (84 holes) Breakdown w/ 250 MCF N2
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5820'-5836' Honaker Trail Perfs shot 10-28-06 (64 holes)
3-3/8", 4 SPF, 120° phasing

Breakdown w/ 250 MCF N2 @5000-8000
scf/min.

Pump-off Sub & Mill

PBTD 5880'

5922'

141 jts 4.5" 11.60# I-80 and L-80 LT&C csg @ 5922'
Cmt w/1445 sx 50/50 Poz G Tail

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-84217
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: PATARA OIL & GAS, LLC		7. UNIT or CA AGREEMENT NAME: MIDDLE MESA
3. ADDRESS OF OPERATOR: 600 17th Street Ste 1900S , Denver, CO, 80202		8. WELL NAME and NUMBER: MIDDLE MESA FED 31-31-29-25
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2126 FSL 0810 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSW Section: 31 Township: 29.0S Range: 25.0E Meridian: S		9. API NUMBER: 43037318540000
9. FIELD and POOL or WILDCAT: SOUTH PINE RIDGE		COUNTY: SAN JUAN
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input checked="" type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 3/1/2011			
<input type="checkbox"/> SPUD REPORT Date of Spud:			
<input type="checkbox"/> DRILLING REPORT Report Date:			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
 Patara Oil & Gas LLC completed workover operations in March 2011 to drill out a CIBP set by EnCana at 5340ft, and has re-established production from the Lower Honaker Trail. Please see attached WBD for current well layout. Thank you.

**Accepted by the
 Utah Division of
 Oil, Gas and Mining
 FOR RECORD ONLY**

NAME (PLEASE PRINT) Christopher Noonan	PHONE NUMBER 303 563-5377	TITLE Production Technician
SIGNATURE N/A	DATE 12/9/2011	

WELLBORE DIAGRAM
COMPLETED

Surface Loc: 2126' FSL, 810' FWL

Operator: Patara Oil & Gas LLC
 Well Name: Middle Mesa Fed 31-31-29-35
 Lease Number: UTU 84217
 Location: NW SW Sec 31-T29S-R25E
 Field: Wildcat
 County: San Juan
 API Number: 43-037-31854
 Mod: 12/8/11 B. Noonan

Formation Tops:

Cutler 2323
 Hermosa 3116

141 jts 7.875" I-80, L-80, LT&C
 csg @2305'; cmt w/550 sxs
 G Neat Lead, 100 sxs G Neat Tail

KB 6784.8'

GL 6772.2'

Well History

Spud Date 10-14-2006
 TD Reached 10-23-2006
 Rig Released 10-25-2006
 Workover 2/28/2011

Tubing Detail

Item	Length (ft)	Depth (ft)
KB	12.60	12.60
167 jts 2-3/8 tbq	5,243.71	5,256.31
1.87F nipple	.92	5,257.23
1 jt tbq	32.47	5,289.70
1.81F nipple	.92	5,290.62
4' tbq sub	4.18	5,294.80
Notched collar	.35	5,295.15
End of Tbg		5,295.15

EOT @ 5295'

4710-4724 Honaker Trail Perfs shot 6/11/07 (116 holes)

4734-4749 3-3/8", 4 SPF

4977-4994 Honaker Trail Perfs shot 6/11/07 (68 holes)

3-3/8", 4 SPF

70Q N2 frac with 269 bbl wtr, 305 Mcf N2, 16,470 # 20/40 sand

5254-5258 Honaker Trail Perfs shot 6/07/07 (40 holes)

5272-5278 3-3/8", 4 SPF

70Q N2 frac with 269 bbl wtr, 389 Mcf N2, 26,749 # 20/40 sand

5417'-5438' Honaker Trail Perfs shot 10-28-06 (84 holes)

3-3/8", 4 SPF, 120° phasing

5794'-5798' Honaker Trail Perfs shot 10-28-06 (16 holes)

3-3/8", 4 SPF, 120° phasing

5820'-5836' Honaker Trail Perfs shot 10-28-06 (64 holes)

3-3/8", 4 SPF, 120° phasing

Breakdown w/ 250 MCF N2 @5000-8000
 scf/min.

Top of debris ±5850'

Pump-off Sub & Mill

PBD 5880'

5922'

141 jts 4.5" 11.60# I-80 and L-80 LT&C csg @ 5922'
 Cmt w/1445 sx 50/50 Poz G Tail

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-84217
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: PATARA OIL & GAS, LLC		7. UNIT or CA AGREEMENT NAME: MIDDLE MESA
3. ADDRESS OF OPERATOR: 600 17th Street Ste 1900S , Denver, CO, 80202		8. WELL NAME and NUMBER: MIDDLE MESA FED 31-31-29-25
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2126 FSL 0810 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSW Section: 31 Township: 29.0S Range: 25.0E Meridian: S		9. API NUMBER: 43037318540000
9. FIELD and POOL or WILDCAT: SOUTH PINE RIDGE		COUNTY: SAN JUAN
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input checked="" type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 3/1/2011			
<input type="checkbox"/> SPUD REPORT Date of Spud:			
<input type="checkbox"/> DRILLING REPORT Report Date:			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
 Patara Oil & Gas LLC completed workover operations in March 2011 to drill out a CIBP set by EnCana at 5340ft, and has re-established production from the Lower Honaker Trail. Please see attached WBD for current well layout. Thank you.

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 Utah Division of
 Oil, Gas and Mining
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NAME (PLEASE PRINT) Christopher Noonan	PHONE NUMBER 303 563-5377	TITLE Production Technician
SIGNATURE N/A	DATE 12/9/2011	

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COMPLETED

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Operator: Patara Oil & Gas LLC
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Formation Tops:

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Top of debris ±5850'

Pump-off Sub & Mill

PBD 5880'

5922'

141 jts 4.5" 11.60# I-80 and L-80 LT&C csg @ 5922'
 Cmt w/1445 sx 50/50 Poz G Tail

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: Patara Oil & Gas LLC Operator Account Number: N 3670
Address: 600 17th Street, Suite 1900S
city Denver
state CO zip 80202 Phone Number: (303) 825-0685

Well 1

API Number	Well Name	QQ	Sec	Twp	Rng	County
4303731854	Middle Mesa Fed 31-31-29-25	NWSW	31	29S	25E	San Juan
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
B	15721	15076	10/14/2006	10/1/2006		
Comments: Per request of Rachel Medina 5/8/2012. HDKRT						5/21/2012

Well 2

API Number	Well Name	QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
Comments:						

Well 3

API Number	Well Name	QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
Comments:						

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Christopher A. Noonan

Name (Please Print)

Signature

Supervisor: Regulations

Title

5/14/2012

Date

RECEIVED

MAY 17 2012



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov/ut/st/en.html>



APR 10 2012

IN REPLY REFER TO:
3180 (UTU82680A)
UT-922100

Patara Oil & Gas, LLC
Attn: Cassandra Squyres
600 17th Street, Suite 1900S
Denver, CO 80202

Re: First Revision of the Honaker Trail PA
Middle Mesa Unit, San Juan County, Utah

Dear Ms. Squyres:

The 1st Revision of the Honaker Trail Participating Area (PA), Middle Mesa Unit, CRS No. UTU82680A, San Juan County, Utah, is hereby approved effective as of October 1, 2006, pursuant to Section 11 of the Middle Mesa Unit Agreement.

This revision results in the addition of 199.81 acres to the Initial Honaker Trail PA for a total of 239.76 acres and is based upon the completion of Well No. 31-31-29-25, API No. 43-037-31854, located in Lot 3 (NW $\frac{1}{4}$ SW $\frac{1}{4}$) of Section 31, Township 29 South, Range 25 East, Federal Unit Tract No. 3, Lease No. UTU84217, as a well capable of producing unitized substances in paying quantities.

For production and accounting reporting purposes, all submissions pertaining to the Honaker Trail PA shall refer to UTU82680A.

Please disregard our non-paying well determination dated April 10, 2008, with respect to Well No. 36-24-29-24, API No. 43-037-31856, located in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 36, Township 29 South, Range 24 East. As this well was drilled and completed in this participating area revision after the revision was effective, all production from the well should be reported to the Honaker Trail PA UTU82680A.

RECEIVED

APR 12 2012

DIV. OF OIL, GAS & MINING

Copies of the approved request are being distributed to the appropriate agencies and one copy is returned herewith. Please advise all interested parties of the approval of the 1st Revision of the Honaker Trail PA, Middle Mesa Unit, and its effective date.

Please direct any questions concerning this approval to Judy Nordstrom of this office at (801) 539-4108.

Sincerely,

A handwritten signature in black ink, appearing to read "Roger L. Bankert". The signature is fluid and cursive, with a long horizontal stroke at the end.

Roger L. Bankert
Chief, Branch of Minerals

Enclosure

cc: UDOGM
SITLA
ONRR w/Exhibit B (Attn: Leona Reilly)
BLM FOM - Moab w/enclosure

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET (for state use only)

ROUTING
CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

11/1/2012

FROM: (Old Operator): N3670- Patara Oil & Gas, LLC 600 17th Street, Suite 1900S Denver, CO 80202 Phone: 1 (303) 825-0685	TO: (New Operator): N3645- CCI Paradox Upstream, LLC 600 17th Street, Suite 1900S Denver, CO 80202 Phone: 1 (303) 825-0685
---	--

CA No.				Unit:	Middle Mesa			
WELL NAME	SEC TWN RNG			API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
See Attached List								

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 1/23/2013
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 2/7/2013
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 2/12/2013
- a. Is the new operator registered in the State of Utah: Business Number: 8523441-0161
- a. (R649-9-2)Waste Management Plan has been received on: Not Yet
- b. Inspections of LA PA state/fee well sites complete on: N/A
- c. Reports current for Production/Disposition & Sundries on: 2/12/2013
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM Not Yet BIA N/A
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: Not Yet
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: N/A
- Underground Injection Control ("UIC")** Division has approved UIC Form 5 Transfer of Authority to Inject, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 2/12/2013
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 2/12/2013
- Bond information entered in RBDMS on: 2/7/2013
- Fee/State wells attached to bond in RBDMS on: 2/12/2013
- Injection Projects to new operator in RBDMS on: N/A
- Receipt of Acceptance of Drilling Procedures for APD/New on: 2/4/2013

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: 105865919
- Indian well(s) covered by Bond Number: N/A
- a. (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number 105865922
- b. The **FORMER** operator has requested a release of liability from their bond on: N/A

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: N/A

COMMENTS:

Patara Oil Gas, LLC (N3670) to CCI Paradox Upstream, LLC (N3945)

Effective 11/1/2012

Middle Mesa Unit

Well Name	Section	TWN	RNG	API Number	Entity	Lease Type	Well Type	Well Status
MIDDLE MESA FED 30-41-29-25	30	290S	250E	4303731893		Federal	GW	APD
MIDDLE MESA FED 25-43-29-24	25	290S	240E	4303731901		Federal	GW	APD
MIDDLE MESA FED 26-23-29-24	26	290S	240E	4303731905		Federal	GW	APD
MIDDLE MESA FED 31-22-29-25	31	290S	250E	4303731909		Federal	GW	APD
MIDDLE MESA FED 31-11-29-25	31	290S	250E	4303731910		Federal	GW	APD
Middle Mesa Fed 31-42-29-25	31	290S	250E	4303750021		Federal	GW	APD
Middle Mesa Federal 5-8-30-25	05	300S	250E	4303750026		Federal	GW	APD
BIG INDIAN 35-24	35	290S	240E	4303731829	14409	Federal	GW	P
MIDDLE MESA ST 36-14-29-24	36	290S	240E	4303731838	15076	State	GW	P
MIDDLE MESA FED 5-6-30-25	05	300S	250E	4303731853	16375	Federal	GW	P
MIDDLE MESA FED 31-31-29-25	31	290S	250E	4303731854	15076	Federal	GW	P
MIDDLE MESA ST 36-12-29-24	36	290S	240E	4303731855	15076	State	GW	P
MIDDLE MESA ST 36-24-29-24	36	290S	240E	4303731856	15076	State	GW	P
MIDDLE MESA ST 36-12B-29-24	36	290S	240E	4303731877	15076	State	GW	P
MIDDLE MESA ST 36-24B-29-24	36	290S	240E	4303731878	15076	State	GW	P
MIDDLE MESA FED 5-10-30-25	05	300S	250E	4303731897	18802	Federal	GW	P
MIDDLE MESA FED 25-41-29-24	25	290S	240E	4303731902	17717	Federal	GW	P
MIDDLE MESA FED 25-31-29-24	25	290S	240E	4303731903	18159	Federal	GW	P
MIDDLE MESA FED 26-34-29-24	26	290S	240E	4303731904	18118	Federal	GW	P
MIDDLE MESA FED 31-44-29-25	31	290S	250E	4303731906	18213	Federal	GW	P
MIDDLE MESA FED 31-33-29-25	31	290S	250E	4303731907	18170	Federal	GW	P
MIDDLE MESA FED 4-20-30-25	04	300S	250E	4303750010	18193	Federal	GW	P

RECEIVED

JAN 23 2013

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

DIV. OF OIL, GAS & MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <u>Multiple Well Transfer</u>		5. LEASE DESIGNATION AND SERIAL NUMBER: n/a
2. NAME OF OPERATOR: <u>Patara Oil & Gas LLC</u> <u>N3670</u>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: n/a
3. ADDRESS OF OPERATOR: <u>600 17th St. Ste. 1900S</u> CITY <u>Denver</u> STATE <u>CO</u> ZIP <u>80202</u>		7. UNIT or CA AGREEMENT NAME: n/a
PHONE NUMBER: <u>(303) 825-0685</u>		8. WELL NAME and NUMBER: <u>Multiple</u>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <u>n/a</u>		9. API NUMBER: n/a
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		10. FIELD AND POOL, OR WILDCAT: n/a

COUNTY: San Juan, UT

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: <u>11/1/2012</u>	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Patara Oil & Gas LLC (Patara) hereby requests the transfer of operating rights and responsibilities for the subject wells, listed herein, to the new owner/operator of the assets, being effective November 1, 2012; CCI Paradox Upstream LLC (CCI).

Please see Exhibit I for a detailed list of upstream assets considered for transfer. Patara midstream assets will be transferred via a separate letter, enclosed.

NAME (PLEASE PRINT) <u>Christopher A. Noonan</u>	TITLE <u>Regulations & Production Reporting Supervisor</u>
SIGNATURE <u><i>Christopher A. Noonan</i></u>	DATE <u>1/18/13</u>

(This space for State use only)

APPROVED

FEB 12 2013

(5/2000)

DIV. OF OIL, GAS & MINING

(See Instructions on Reverse Side)

BY: Rachel Medina

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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2. NAME OF OPERATOR: CCI Paradox Upstream LLC <u>N3945</u>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: n/a
3. ADDRESS OF OPERATOR: 600 17th St. Ste. 1900S CITY <u>Denver</u> STATE <u>CO</u> ZIP <u>80202</u>		7. UNIT or CA AGREEMENT NAME: n/a
4. LOCATION OF WELL FOOTAGES AT SURFACE: <u>n/a</u>		8. WELL NAME and NUMBER: <u>Multiple</u>
PHONE NUMBER: <u>(303) 825-0685</u>		9. API NUMBER: n/a
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		10. FIELD AND POOL, OR WILDCAT: n/a

COUNTY: San Juan, UT

STATE: UTAH

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	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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CCI Paradox Upstream LLC (CCI), hereby requests the transfer of operating rights and responsibilities for the subject wells, listed herein, to the new owner/operator of the assets, CCI, being effective November 1, 2012. The assets were previously operated by Patara Oil & Gas LLC (Patara) prior to sale.

Please see Exhibit I for a detailed list of upstream assets considered for transfer. Patara midstream assets will be transferred via a separate letter, enclosed.

Bond Number:
BLM: 105865919
State: 105865922

NAME (PLEASE PRINT) <u>Christopher A. Noonan</u>	TITLE <u>Regulations & Production Reporting Supervisor</u>
SIGNATURE <u>[Signature]</u>	DATE <u>2/6/2012</u>

(This space for State use only)

APPROVED

FEB 12 2013

DIV. OIL GAS & MINING

BY: Rachel Medina

RECEIVED

FEB 07 2013

Div. of Oil, Gas & Mining

Exhibit I

BLM Form 3160-5 Transfer of Operator

Utah Form 9 Transfer of Operator

State of Utah Upstream Assets

01/09/2013

API Well Number	Operator	Well Name	Well Status	Well Type	Field Name	County	Qtr/Qtr	Section	Township-Range)
✓ 43-037-15049-00-00	PATARA OIL & GAS LLC	LISBON D-616	Shut-In	Oil Well	LISBON	SAN JUAN	NENE	16	30S-24E 1
✓ 43-037-15123-00-00	PATARA OIL & GAS LLC	LISBON B-615	Producing	Oil Well	LISBON	SAN JUAN	NENW	15	30S-24E 2
✓ 43-037-15769-00-00	PATARA OIL & GAS LLC	LISBON B912	Shut-In	Oil Well	LISBON	SAN JUAN	SESW	12	30S-24E 3
✓ 43-037-16219-00-00	PATARA OIL & GAS LLC	BIG INDIAN UNIT 1	Shut-In	Oil Well	BIG INDIAN (MADISON)	SAN JUAN	SENE	33	29S-24E 11
✓ 43-037-16221-00-00	PATARA OIL & GAS LLC	BIG INDIAN 4	Shut-In	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	SWSW	14	30S-25E 5
✓ 43-037-16237-00-00	PATARA OIL & GAS LLC	LISBON A-715	Inactive	Water Disposal Well	LISBON	SAN JUAN	SWNW	15	30S-24E 6
✓ 43-037-16240-00-00	PATARA OIL & GAS LLC	LISBON B-613	Shut-In	Oil Well	LISBON	SAN JUAN	NENW	13	30S-24E 7
✓ 43-037-16242-00-00	PATARA OIL & GAS LLC	LISBON B-616	Shut-In	Oil Well	LISBON	SAN JUAN	NESW	16	30S-24E 8
✓ 43-037-16244-00-00	PATARA OIL & GAS LLC	BELCO ST 4 (LISBON B-816)	Active	Water Disposal Well	LISBON	SAN JUAN	NESW	16	30S-24E 9
✓ 43-037-16245-00-00	PATARA OIL & GAS LLC	LISBON C-69	Shut-In	Oil Well	LISBON	SAN JUAN	NWNE	9	30S-24E 10

✓ 43-037-16247-00-00	PATARA OIL & GAS LLC	LISBON C-94	Shut-In	Oil Well	LISBON	SAN JUAN	SWSE	4	30S-24E 11
✓ 43-037-16250-00-00	PATARA OIL & GAS LLC	LISBON UNIT D-84	Shut-In	Oil Well	LISBON	SAN JUAN	NESE	4	30S-24E 12
✓ 43-037-16251-00-00	PATARA OIL & GAS LLC	LISBON D-89	Shut-In	Oil Well	LISBON	SAN JUAN	NESE	9	30S-24E 13
43-037-16469-00-00	PATARA OIL & GAS LLC	LISBON U B-610	Producing	Oil Well	LISBON	SAN JUAN	NENW	10	30S-24E 14
43-037-16471-00-00	PATARA OIL & GAS LLC	NW LISBON USA A-2 (D-810)	Producing	Gas Well	LISBON	SAN JUAN	NESE	10	30S-24E 15
43-037-30054-00-00	PATARA OIL & GAS LLC	LISBON B-84	Shut-In	Oil Well	LISBON	SAN JUAN	NESW	4	30S-24E 16
43-037-30082-00-00	PATARA OIL & GAS LLC	LISBON B-814	Active	Water Disposal Well	LISBON	SAN JUAN	NESW	14	30S-24E 17
43-037-30317-00-00	PATARA OIL & GAS LLC	FEDERAL 15-25	Shut-In	Gas Well	WILSON CANYON	SAN JUAN	SWSE	25	29S-23E 18
43-037-30693-00-00	PATARA OIL & GAS LLC	LISBON C-99	Shut-In	Oil Well	LISBON	SAN JUAN	SWSE	9	30S-24E 19
43-037-30694-00-00	PATARA OIL & GAS LLC	LISBON U D-610	Shut-In	Gas Well	LISBON	SAN JUAN	NENE	10	30S-24E 20
43-037-30695-00-00	PATARA OIL & GAS LLC	LISBON B-94	Shut-In	Oil Well	LISBON	SAN JUAN	SESW	4	30S-24E 1
43-037-31014-00-00	PATARA OIL & GAS LLC	LISBON UNIT A-911	Producing	Gas Well	LISBON	SAN JUAN	SWSW	11	30S-24E 2
43-037-31034-00-00	PATARA OIL & GAS LLC	LISBON UNIT D-716	Shut-In	Oil Well	LISBON	SAN JUAN	SENE	16	30S-24E 3
43-037-31323-00-00	PATARA OIL & GAS LLC	LISBON C-910	Shut-In	Oil Well	LISBON	SAN JUAN	SWSE	10	30S-24E 4
43-037-31351-00-00	PATARA OIL & GAS LLC	LISBON B-614A	Shut-In	Oil Well	LISBON	SAN JUAN	NENW	14	30S-24E 5
43-037-31433-00-00	PATARA OIL & GAS LLC	LISBON B-810	Producing	Oil Well	LISBON	SAN JUAN	NESW	10	30S-24E 6

43-037-31829-00-00	PATARA OIL & GAS LLC	BIG INDIAN 35-24	Shut-In	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SENE	35	29S-24E 7
43-037-31831-00-00	PATARA OIL & GAS LLC	BULL HORN U 10-43	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	SWSE	10	30S-25E 8
43-037-31838-00-00	PATARA OIL & GAS LLC	MIDDLE MESA ST 36-14-29-24	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NENE	36	29S-24E 9
43-037-31843-00-00	PATARA OIL & GAS LLC	BULL HORN FED 9-14-30-25	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	NENE	9	30S-25E 30
43-037-31848-00-00	PATARA OIL & GAS LLC	BULL HORN FED 15-14-30-25	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	NENE	15	30S-25E 1
43-037-31849-00-00	PATARA OIL & GAS LLC	BULL HORN FED 10-21-30-25	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	NWSW	10	30S-25E 2
43-037-31850-00-00	PATARA OIL & GAS LLC	BIG INDIAN FED 14-21-30-25	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	SWNW	14	30S-25E 3
43-037-31853-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 5-6-30-25	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	LOT6	5	30S-25E 4
43-037-31854-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 31-31-29-25	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NWSW	31	29S-25E 5
43-037-31855-00-00	PATARA OIL & GAS LLC	MIDDLE MESA ST 36-12-29-24	Shut-In	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NENW	36	29S-24E 6
43-037-31856-00-00	PATARA OIL & GAS LLC	MIDDLE MESA ST 36-24-29-24	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SENE	36	29S-24E 7
43-037-31859-00-00	PATARA OIL & GAS LLC	BIG INDIAN FED 15-24-30-25	Shut-In	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	SWNW	14	30S-25E 8
43-037-31860-00-00	PATARA OIL & GAS LLC	BIG INDIAN FED 14-42-30-25	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	SESW	14	30S-25E 9
43-037-31861-00-00	PATARA OIL & GAS LLC	BULL HORN FED 10-42-30-25	Shut-In	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	SESW	10	30S-25E 40
43-037-31864-00-00	PATARA OIL & GAS LLC	BULL HORN FED 10-31-30-25	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	NWSW	10	30S-25E 1
43-037-31877-00-00	PATARA OIL & GAS LLC	MIDDLE MESA ST 36-12B-29-24	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NENW	36	29S-24E 2

43-037-31878-00-00	PATARA OIL & GAS LLC	MIDDLE MESA ST 36-24B-29-24	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SENE	36	29S-24E 3
43-037-31883-00-00	PATARA OIL & GAS LLC	BIG INDIAN FED 15-24B-30-25	Shut-In	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	SWNW	14	30S-25E 4
43-037-31884-00-00	PATARA OIL & GAS LLC	BIG INDIAN FED 23-13B-30-25	Approved permit (APD); not yet spudded	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	NWNE	23	30S-25E 5
43-037-31885-00-00	PATARA OIL & GAS LLC	BIG INDIAN FED 23-13-30-25	Approved permit (APD); not yet spudded	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	NWNE	23	30S-25E 6
43-037-31891-00-00	PATARA OIL & GAS LLC	BULL HORN FED 15-13-30-25	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	NENE	15	30S-25E 7
43-037-31893-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 30-41-29-25	Approved permit (APD); not yet spudded	Gas Well	UNDESIGNATED	SAN JUAN	SWSW	30	29S-25E 8
43-037-31897-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 5-10-30-25	Spudded (Drilling commenced: Not yet completed)	Gas Well	SOUTH PINE RIDGE	SAN JUAN	LT10	5	30S-25E 9
43-037-31901-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 25-43-29-24	Approved permit (APD); not yet spudded	Gas Well	UNDESIGNATED	SAN JUAN	SWSE	25	29S-24E 10
43-037-31902-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 25-41-29-24	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SWSW	25	29S-24E 1
43-037-31903-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 25-31-29-24	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NWSW	25	29S-24E 2
43-037-31904-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 26-34-29-24	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NESW	26	29S-24E 3

43-037-31905-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 26-23-29-24	Approved permit (APD); not yet spudded	Gas Well	UNDESIGNATED	SAN JUAN	SWNE	26	29S-24E 4
43-037-31906-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 31-44-29-25	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SESE	31	29S-25E 5
43-037-31907-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 31-33-29-25	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NWSE	31	29S-25E 4
43-037-31909-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 31-22-29-25	Approved permit (APD); not yet spudded	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SENW	31	29S-25E 7
43-037-31910-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 31-11-29-25	Approved permit (APD); not yet spudded	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NWNW	31	29S-25E 8
43-037-50008-00-00	PATARA OIL & GAS LLC	CISCO STATE 36-13	Temporarily-Abandoned	Gas Well	WILDCAT	SAN JUAN	NWNE	36	31S-24E 9
43-037-50010-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 4-20-30-25	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SWNW	4	30S-25E 60
43-037-50012-00-00	PATARA OIL & GAS LLC	Lisbon 11-32MC	Returned APD (Unapproved)	Oil Well	UNDESIGNATED	SAN JUAN	SWNE	11	30S-24E 1
43-037-50013-00-00	PATARA OIL & GAS LLC	Lisbon 14-11MC	Approved permit (APD); not yet spudded	Oil Well	LISBON	SAN JUAN	NWNW	14	30S-24E 2
43-037-50014-00-00	PATARA OIL & GAS LLC	Lisbon 10-44MC	Approved permit (APD); not yet spudded	Oil Well	LISBON	SAN JUAN	NWNW	14	30S-24E 3

43-037-50015-00-00	PATARA OIL & GAS LLC	Lisbon 3-32MC	Approved permit (APD); not yet spudded	Oil Well	LISBON	SAN JUAN	NESE	4	4 30S-24E
43-037-50016-00-00	PATARA OIL & GAS LLC	Lisbon 11-33MC	Approved permit (APD); not yet spudded	Oil Well	LISBON	SAN JUAN	NENW	14	5 30S-24E
43-037-50017-00-00	PATARA OIL & GAS LLC	Lisbon 11-21MC	Approved permit (APD); not yet spudded	Gas Well	LISBON	SAN JUAN	NWSE	10	6 30S-24E
43-037-50018-00-00	PATARA OIL & GAS LLC	Lisbon 3-43MC	Approved permit (APD); not yet spudded	Oil Well	LISBON	SAN JUAN	SESE	3	7 30S-24E
43-037-50019-00-00	PATARA OIL & GAS LLC	Lisbon 10-33MC	Spudded (Drilling commenced: Not yet completed)	Oil Well	LISBON	SAN JUAN	NWSE	10	8 30S-24E
43-037-50021-00-00	PATARA OIL & GAS LLC	Middle Mesa Fed 31-42-29-25	Approved permit (APD); not yet spudded	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SESW	31	9 29S-25E
43-037-50026-00-00	PATARA OIL & GAS LLC	Middle Mesa Federal 5-8-30-25	Approved permit (APD); not yet spudded	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NENE	5	10 30S-25E

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-84217
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: MIDDLE MESA
2. NAME OF OPERATOR: CCI PARADOX UPSTREAM, LLC		8. WELL NAME and NUMBER: MIDDLE MESA FED 31-31-29-25
3. ADDRESS OF OPERATOR: 600 17th Street, Suite 1900S , Denver, CO, 80202		9. API NUMBER: 43037318540000
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2126 FSL 0810 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSW Section: 31 Township: 29.0S Range: 25.0E Meridian: S		9. FIELD and POOL or WILDCAT: SOUTH PINE RIDGE
COUNTY: SAN JUAN		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 11/11/2013 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </div> <div style="width: 33%;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </div> <div style="width: 33%;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input checked="" type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/> </div> </div>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. CCI will set a Weatherford 320 surface pumping unit on this wellsite in order to control water levels in the well and increase gas production. This unit is being transfered from the Middle Mesa Fed 25-31-29-25 as it proved ineffective on that location. Operations expected to be complete by 11/15/2013.		
NAME (PLEASE PRINT) Christopher Noonan		PHONE NUMBER 303 563-5377
SIGNATURE N/A		TITLE Regulations Supervisor
DATE 11/8/2013		<div style="text-align: right;"> Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY December 04, 2013 </div>

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-84217
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: CCI PARADOX UPSTREAM, LLC		7. UNIT or CA AGREEMENT NAME: MIDDLE MESA
3. ADDRESS OF OPERATOR: 600 17th Street, Suite 1900S , Denver, CO, 80202		8. WELL NAME and NUMBER: MIDDLE MESA FED 31-31-29-25
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2126 FSL 0810 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSW Section: 31 Township: 29.0S Range: 25.0E Meridian: S		9. API NUMBER: 43037318540000
PHONE NUMBER: 303 563-5364 Ext		9. FIELD and POOL or WILDCAT: SOUTH PINE RIDGE
COUNTY: SAN JUAN		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 12/5/2013	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input checked="" type="checkbox"/> OTHER	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION	
<input type="checkbox"/> DRILLING REPORT Report Date:	OTHER: <input type="text" value="Pump change"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. CCI has completed operations to set a Weatherford 320 pumping unit on this wellsite. The well was retured to production on 12/12/12 making 25 Bo/d, 47 Mcf/d.		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY March 25, 2014		
NAME (PLEASE PRINT) Christopher Noonan	PHONE NUMBER 303 563-5377	TITLE Regulations Supervisor
SIGNATURE N/A	DATE 3/24/2014	



Daily Activity and Cost Summary

Well Name: Middle Mesa Fed 31-31-29-25

API/UWI 43-037-31854-00	Surface Legal Location NWSW Sec. 31 T29S R25E	Field Name South Pine Ridge	License #	State/Province Utah	Well Configuration Type
Original KB Elevation (ft) 6,784.00	KB-Tubing Head Distance (ft)	Spud Date 10/15/2006 00:00	Rig Release Date	PBTD (All) (ftKB)	Total Depth All (TVD) (ftKB)

Job Category Completion/Workover	Primary Job Type Reconfigure Tubing/Components	Secondary Job Type	Status 1
AFE Number 13CWOMM3131	Start Date 11/25/2013	End Date 12/5/2013	Total AFE Amount (Cost)

Objective
Run rods pulled from MM 25-31 well. Set Weatherford pumping unit, install rods & turn to sales.

Summary

Contractor	Rig Number	Rig Type
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Rpt #	Start Date	End Date	Day Total (Cost)	Cum To Date (Cost)	Summary
1.0	11/25/2013	11/26/2013			MIRU PWS Rig #66. Spot equipment. Lay kill and blow down lines. Catch plunger. Bleed well down. Nipple down well head and nipple up BOPE. POH 167 jnts 1.87 F nipple, 1 jnt, 1.81 F nipple, 4' sub with notched collar, 5305 ft with KB. SDFN
2.0	11/26/2013	11/27/2013			Safety meeting. Well flowing to sales @ 80 psi. Bleed well down. Pu 3 7/8" mill and 6' sub, 1.81 F nipple. Run into top of perms. Rig up N2 unit. Rih and tag at 5819' 15' in on jnt 185. Clean out to 5826'. Not making any hole. POH with tbg. Had inch 3 quarter mark in bottom of mill. Possible wire line tools or pump off bit sub. Bottom 10' of LaSal perms covered. SDFN
3.0	11/27/2013	11/28/2013			Safety meeting. SICP 200 psi. Bleed well down. RIH with 3' wavey bottom shoe bumper sub and jars. Tag @ 5826'. Hook up N2 unit. Establish circulation. Try to wash over fish. Showing no torque, but would take weight 14k down. POH with tbg. Lay down tools. Inch and half diameter mark on inside of fishing tool. SDFN
4.0	12/2/2013	12/3/2013			safety Meeting. SICP 200 psi. Blow down and make up 2 3/8 bull plug 1 jt 2 3/8 tbg 4' perf. sub. 2 jts 2 3/8 TAC. 181 jts to surface. NDBOPE. Set anchor with 12 K tension. Nipple up well head flow line and pumping T. Caseing hooked into flow line with back pressure valve. Change over for rods. Pick up 1.25X 16' pump with a 12' gas anchor, 2' guided sub 8 1.25 weight bars 2' guided sub 8 1.25 weight bars. 149 3/4 rods with 4 guides per rod, 50 7/8 pick up polish rod SDFN. tubing detail <div> <div>2 3/8 bull plug and collar</div> <div>5815'</div> <div>1 jt 2 3/8 tbg mud anchor</div> <div></div> <div>2 3/8 4' perf. sub</div> <div></div> <div>seating nipple</div> <div>5778'</div> <div>2 jts 2 3/8 tbg</div> <div></div> <div>2 3/8 X 4 1/2 TAC</div> <div>5712'</div> <div>181 jts to surface.</div> <div></div> <div>Added 16 jts 2 3/8 tbg</div> </div>
5.0	12/3/2013	12/4/2013			Safety Meeting. Well open to facility. 90 psi blow down. Continue in hole with rods. Tag up and space out and hang well on. Load tbg with 20 bbls water and pressure test to 400 psi ok Pressure up to 400 psi with unit ok. Rig down and move off. <div> <div>Rod detail bottom to top.</div> <div>12' gas anchor</div> <div>1.25 X 16' pump</div> <div>2' X 3/4 stabilizer sub</div> <div>8 1.25 weight bars</div> <div>2' X 3/4 stabilizer sub</div> <div>8 1.25 weight bars</div> <div>149 3/4 rods with 4 guides per rod</div> <div>64 7/8 rods with 4 guides per rod</div> <div>2' X 7/8 sub</div> <div>1 1/2 X 26' polish rod</div> </div>
6.0	12/4/2013	12/5/2013			